

SOLICITATION, OFFER AND AWARD		1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700)		RATING	PAGE 1 OF 1 PAGES	
2. CONTRACT NUMBER	3. SOLICITATION NUMBER	4. TYPE OF SOLICITATION	5. DATE ISSUED	6. REQUISITION/PURCHASE NUMBER		
	MDA210-00-R-CPB3	<input type="checkbox"/> SEALED BID (IFB) <input checked="" type="checkbox"/> NEGOTIATED (RFP)	01/13/00	HQ01011274D001		
7. ISSUED BY		CODE	8. ADDRESS OFFER TO (If other than Item 7)			
DFAS Columbus Center		S33181	See Section L-30, Return of Offers			
ATTN: DFAS-HQ/ASO (Bldg 21)						
3990 E. Broad St, Columbus, OH 43213-1152						
NOTE: In sealed bid solicitations "offer" and "offeror" mean "bid" and "bidder".						

SOLICITATION

9. Sealed offers in original and _____ copies for furnishing the supplies or services in the Schedule will be received at the place specified in Item 8, or if handcarried, in the depository located in DFAS Columbus Ctr, Bldg 11-Sec 6 until 430 local time 03/13/00
 (Hour) (Date)

CAUTION - LATE Submissions, Modifications, and Withdrawals: See Section L, Provision No. 52.214-7 or 52.215-1. All offers are subject to all terms and conditions contained in this solicitation.

10. FOR INFORMATION CALL:	A. NAME	B. TELEPHONE (NO COLLECT CALLS)		C. E-MAIL ADDRESS
	Ms. Cheryl Marquez	AREA CODE (614)	NUMBER 693-4338	EXT. 1 cheryl.marquez@dfas.mil

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OFFER (Must be fully completed by offeror)

NOTE: Item 12 does not apply if the solicitation includes the provisions at 52.214-16, Minimum Bid Acceptance Period.

12. In compliance with the above, the undersigned agrees, if this offer is accepted within _____ calendar days (60 calendar days unless a different period is inserted by the offeror) from the date for receipt of offers specified above, to furnish any or all items upon which prices are offered at the price set opposite each item, delivered at the designated point(s), within the time specified in the schedule.

13. DISCOUNT FOR PROMPT PAYMENT (See Section I, Clause No. 52.232-8)	10 CALENDAR DAYS (%)	20 CALENDAR DAYS (%)	30 CALENDAR DAYS (%)	CALENDAR DAYS (%)

14. ACKNOWLEDGMENT OF AMENDMENTS (The offeror acknowledges receipt of amendments to the SOLICITATION for offerors and related documents numbered and dated):	AMENDMENT NO.	DATE	AMENDMENT NO.	DATE

15A. NAME AND ADDRESS OF OFFEROR	CODE	FACILITY	16. NAME AND TITLE OF PERSON AUTHORIZED TO SIGN OFFER (Type or print)

15B. TELEPHONE NUMBER	15C. CHECK IF REMITTANCE ADDRESS IS DIFFERENT FROM ABOVE - ENTER SUCH ADDRESS IN SCHEDULE.	17. SIGNATURE	18. OFFER DATE
AREA CODE NUMBER EXT.	<input type="checkbox"/>		

AWARD (To be completed by Government)

19. ACCEPTED AS TO ITEMS NUMBERED	20. AMOUNT	21. ACCOUNTING AND APPROPRIATION

22. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION: <input type="checkbox"/> 10 U.S.C. 2304(c) () <input type="checkbox"/> 41 U.S.C. 253(c) ()	23. SUBMIT INVOICES TO ADDRESS SHOWN IN (4 copies unless otherwise specified)

24. ADMINISTERED BY (If other than Item 7)	25. PAYMENT WILL BE MADE BY
CODE	CODE

26. NAME OF CONTRACTING OFFICER (Type or print)	27. UNITED STATES OF AMERICA (Signature of Contracting Officer)	28. AWARD DATE

Section A

Solicitation/Contract Form

**A-1. 52.252-2 CLAUSES INCORPORATED BY REFERENCE
(FEB 1998) (Reference 52.107(b))**

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at the following address:

<http://farsite.hill.af.mil/>

(End of clause)

**A-2. 52.203-10 PRICE OR FEE ADJUSTMENT FOR ILLEGAL OR IMPROPER
ACTIVITY (JAN 1997)
(Reference 3.104-9(b))**

**A-3. 52.203-11 CERTIFICATION AND DISCLOSURE REGARDING PAYMENTS
TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS
(APR 1991) (Reference 3.808)**

**A-4. 52.203-12 LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN
FEDERAL TRANSACTIONS (JUN 1997)
(Reference 3.808)**

SECTION B

SUPPLIES OR SERVICES AND PRICES/COSTS

B-1. SERVICES

a. Unless otherwise provided herein, the Contractor shall furnish the personnel and supplies necessary to provide for the operation of the Military Banking Facilities (MBF) in accordance with Section C, Statement of Work, of this contract. The Department of Defense (DoD) will provide physical facilities and equipment currently in use at MBFs overseas as well as providing the physical facility and equipment necessary to establish the Overseas Military Banking Program (OMBP), Permanent Operations Center (POC) (contractor home office and backroom processing). The POC will be designated by the government within 30 days of Request for Procurement (RFP) release.

b. Banking services shall be provided at those DoD Operating Locations as specified in Section J, Attachment 1.

c. The Contractor shall provide overseas military banking services for the "worldwide theaters" (Germany, the Netherlands, United Kingdom, Iceland, Japan, Okinawa, Korea, Diego Garcia, Cuba, and Honduras) under the Contract Line Item Number (CLIN) structure below for the multiyear period of October 1, 2000, through September 30, 2005 (60 months).

d. This contract is an *Indefinite Quantity/cost-plus-fixed-fee, multiyear contract for 5 performance years (60 months) and 5 performance option years*, which do not obligate the government to exercise the option(s). Moreover, this contract has an optional 6-month transition out period and an optional 6-month final contract administration period.

e. In the event of an inconsistency between the provisions of this contract and the technical and cost proposal, the inconsistency shall be resolved by giving precedence in the following order: (1) the contract (excluding the cost and technical proposal); and (2) the cost and technical proposal.

f. The Contracting Officer's Representative is:

TO BE PROVIDED UNDER SEPARATE COVER LETTER

g. Availability of Funds:

The government's obligation under this contract is contingent upon the availability of appropriated funds from which

payment for contract purposes can be made. No legal liability on the part of the government for any payment may arise until funds are made available to the Contracting Officer for this contract and until the Contractor receives notice of such availability, to be confirmed in writing by the Contracting Officer.

Fund citation shall read "Subject to the Availability of Funds."

B-2. ESTIMATED COSTS AND REVENUES

The Contractor shall furnish estimated costs and revenues for banking services using such formats as designated by the Contracting Office.

B-3. CHANGES

a. Changes shall be made to the methods established pursuant to the provisions of the contract which govern the determination of income from banking operations and services accruing directly to the Contractor from the services described in Section C, unless authorized in writing by the Contracting Officer. During the course of this contract, the Contractor may be required to expand banking operations on United States (U.S.) installations in Italy. Additional funding will be added by modification to the contract for each Italy task order written.

b. In addition, the Program Management Office, working with the Contractor, plans on introducing web-banking, relevant new technological advancements, upgrading the current system platforms and telecommunication capabilities, expanding voice response capability throughout the network, implementing electronic imaging of records, and developing a web-based shared data warehouse with security module for user access that will house all OMBP statistical data (budget, financial, transaction data, balance sheet information, general ledger, reports, and other relevant data approved by the COR). The Contractor will play a vital role in the design of these products and services and in the planning and deployment.

c. Technology and Products/Services Refresher - The Contractor shall conduct and provide the government with a technology and products/services review biannually. This technology review will provide a description of increases in realism, technological advancements and market changes in products/services improvements beyond that provided under this statement of work (SOW), which might then be available. The technology review will provide a cost estimate which delineates

the changes to the cost proposal, (all direct, other direct, and indirect costs), which would apply if the government chooses these improvements through issuance of an Engineering Change Proposal (ECP). Moreover, the technology review will include a timeline for implementation. In addition, the government may request and negotiate with the Contractor, a change in product, service, or technological innovation during the contract. Task orders may be issued to incorporate technological and products/services related changes.

B-4. ESTIMATING OPERATING INCOME AND EXPENSES FOR BANKING PRODUCTS AND SERVICES

a. For the purposes of completing the CLINS 0001 - 0048 of Section B, each Offeror shall identify its estimated costs for the areas listed in each CLIN including the Amount Column for each CLIN **except for CLINS 0004, 0008, 0012, 0016, 0020, 0024, 0028, 0032, 0036, 0040, 0044, and 0048. When the amendment is issued designating the POC, the Offeror shall identify its estimated costs for the specific POC CLINS.**

b. Operating income shall include all income accruing under the contract regardless of its source.

c. Operating expenses shall include all allowable expenses incurred at or in support of individual MBFs centralized automatic data processing centers, and other in-theater and out-of-theater expenses.

<u>Item</u>	<u>Description</u>	<u>Qty</u>	<u>U/I</u>	<u>Amount</u>
0001	European Theater of Operation for FY01	1	LT	
	Transition and operation of MBFs in Germany, the Netherlands, United Kingdom, and Iceland:			
	Transition costs			\$_____
	Total operating income			\$_____
	Total operating expense			\$_____
	Net operating income (expense)			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____

0002	Operation of a Continental	1	LT	
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<u>Item</u>	<u>Description</u>	<u>Qty</u>	<u>U/I</u>	<u>Amount</u>
	United States (CONUS) centralized data processing center in FY01 in support of the European and Pacific Theaters of Operation:			
	Estimated cost			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____
0003	Pacific Theater of Operation for FY01	1	LT	
	Transition and operation of MBFs in Japan, Okinawa, Korea, Diego Garcia, Cuba and Honduras:			
	Transition costs			\$_____
	Total operating income			\$_____
	Total operating expense			\$_____
	Net operating income (expense)			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____
0004	Operation of a centralized POC in FY01 in support of the European and Pacific Theaters of Operation	1	LT	
	Estimated cost			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____
0005	European Theater of Operation	1	LT	

<u>Item</u>	<u>Description</u>	<u>Qty</u>	<u>U/I</u>	<u>Amount</u>
	for FY02			
	Operation of MBFs in Germany, the Netherlands, United Kingdom, and Iceland:			
	Total operating income			\$_____
	Total operating expense			\$_____
	Net operating income (expense)			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____
0006	Operation of a CONUS centralized data processing center in FY02 in support of the European and Pacific Theaters of Operation:	1	LT	
	Estimated cost			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____
0007	Pacific Theater of Operation for FY02	1	LT	
	Operation of MBFs in Japan, Okinawa, Korea, Diego Garcia, Cuba and Honduras:			
	Total operating income			\$_____
	Total operating expense			\$_____
	Net operating income (expense)			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____
0008	Operation of a centralized POC	1	LT	

<u>Item</u>	<u>Description</u>	<u>Qty</u>	<u>U/I</u>	<u>Amount</u>
	in FY02 in support of the European and Pacific Theaters of Operation			
	Estimated cost			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____
0009	European Theater of Operation for FY03	1	LT	
	Operation of MBFs in Germany, the Netherlands, United Kingdom, and Iceland:			
	Total operating income			\$_____
	Total operating expense			\$_____
	Net operating income (expense)			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____
0010	Operation of a CONUS centralized data processing center in FY03 in support of the European and Pacific Theaters of Operation:	1	LT	
	Estimated cost			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____
0011	Pacific Theater of Operation for	1	LT	

<u>Item</u>	<u>Description</u>	<u>Qty</u>	<u>U/I</u>	<u>Amount</u>
	FY03			
	Operation of MBFs in Japan, Okinawa, Korea, Diego Garcia, Cuba and Honduras:			
	Total operating income			\$_____
	Total operating expense			\$_____
	Net operating income (expense)			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____
0012	Operation of a centralized POC in FY03 in support of the European and Pacific Theaters of Operation	1	LT	
	Estimated cost			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____
0013	European Theater of Operation for FY04	1	LT	
	Operation of MBFs in Germany, the Netherlands, United Kingdom, and Iceland:			
	Total operating income			\$_____
	Total operating expense			\$_____
	Net operating income (expense)			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____
0014	Operation of a CONUS centralized	1	LT	

<u>Item</u>	<u>Description</u>	<u>Qty</u>	<u>U/I</u>	<u>Amount</u>
	data processing center in FY04 in support of the European and Pacific Theaters of Operation:			
	Estimated cost			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____
0015	Pacific Theater of Operation for FY04	1	LT	
	Operation of MBFs in Japan, Okinawa, Korea, Diego Garcia, Cuba and Honduras:			
	Total operating income			\$_____
	Total operating expense			\$_____
	Net operating income (expense)			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____
0016	Operation of a centralized POC in FY04 in support of the European and Pacific Theaters of Operation	1	LT	
	Estimated cost			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____
0017	European Theater of Operation	1	LT	

<u>Item</u>	<u>Description</u>	<u>Qty</u>	<u>U/I</u>	<u>Amount</u>
	for FY05			
	Operation of MBFs in Germany, the Netherlands, United Kingdom, and Iceland:			
	Total operating income			\$_____
	Total operating expense			\$_____
	Net operating income (expense)			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____
0018	Operation of a CONUS centralized data processing center in FY05 in support of the European and Pacific Theaters of Operation:	1	LT	
	Estimated cost			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____
0019	Pacific Theater of Operation for FY05	1	LT	
	Operation of MBFs in Japan, Okinawa, Korea, Diego Garcia, Cuba and Honduras:			
	Total operating income			\$_____
	Total operating expense			\$_____
	Net operating income (expense)			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____
0020	Operation of a centralized POC	1	LT	

<u>Item</u>	<u>Description</u>	<u>Qty</u>	<u>U/I</u>	<u>Amount</u>
	in FY05 in support of the European and Pacific Theaters of Operation			
	Estimated cost			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____
0021	European Theater of Operation for FY06 Option Year	1	LT	
	Operation of MBFs in Germany, the Netherlands, United Kingdom, and Iceland:			
	Total operating income			\$_____
	Total operating expense			\$_____
	Net operating income (expense)			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____
0022	Operation of a CONUS centralized data processing center in FY06 Option Year in support of the European and Pacific Theaters of Operation:	1	LT	
	Estimated cost			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____
0023	Pacific Theater of Operation for	1	LT	

<u>Item</u>	<u>Description</u>	<u>Qty</u>	<u>U/I</u>	<u>Amount</u>
	FY06 Option Year			
	Operation of MBFs in Japan, Okinawa, Korea, Diego Garcia, Cuba and Honduras:			
	Total operating income			\$_____
	Total operating expense			\$_____
	Net operating income (expense)			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____
0024	Operation of a centralized POC in FY06 Option Year in support of the Pacific theater of operations	1	LT	
	Estimated cost			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____
0025	European Theater of Operation for FY07 Option Year	1	LT	
	Operation of MBFs in Germany, the Netherlands, United Kingdom, and Iceland:			
	Total operating income			\$_____
	Total operating expense			\$_____
	Net operating income (expense)			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____
0026	Operation of a CONUS centralized	1	LT	

<u>Item</u>	<u>Description</u>	<u>Qty</u>	<u>U/I</u>	<u>Amount</u>
	data processing center in FY07 Option Year in support of the European and Pacific Theaters of Operation:			
	Estimated cost			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____
0027	Pacific Theater of Operation for FY07 Option Year	1	LT	
	Operation of MBFs in Japan, Okinawa, Korea, Diego Garcia, Cuba and Honduras:			
	Total operating income			\$_____
	Total operating expense			\$_____
	Net operating income (expense)			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____
0028	Operation of a centralized POC in FY07 Option Year in support of the European and Pacific Theaters of Operation	1	LT	
	Estimated cost			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____
0029	European Theater of Operation	1	LT	

<u>Item</u>	<u>Description</u>	<u>Qty</u>	<u>U/I</u>	<u>Amount</u>
	for FY08 Option Year			
	Operation of MBFs in Germany, the Netherlands, United Kingdom, and Iceland:			
	Total operating income			\$_____
	Total operating expense			\$_____
	Net operating income (expense)			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____
0030	Operation of a CONUS centralized data processing center in FY08 Option Year in support of the European and Pacific Theaters of Operation:	1	LT	
	Estimated cost			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____
0031	Pacific Theater of Operation for FY08 Option Year	1	LT	
	Operation of MBFs in Japan, Okinawa, Korea, Diego Garcia, Cuba and Honduras:			
	Total operating income			\$_____
	Total operating expense			\$_____
	Net operating income (expense)			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____
0032	Operation of a CONUS centralized	1	LT	

<u>Item</u>	<u>Description</u>	<u>Qty</u>	<u>U/I</u>	<u>Amount</u>
	POC in FY08 Option Year in support of the European and Pacific Theaters of Operation			
	Estimated cost			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____
0033	European Theater of Operation for FY09 Option Year	1	LT	
	Operation of MBFs in Germany, the Netherlands, United Kingdom, and Iceland:			
	Total operating income			\$_____
	Total operating expense			\$_____
	Net operating income (expense)			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____
0034	Operation of a CONUS centralized data processing center in FY09 Option Year in support of the European and Pacific Theaters of Operations:	1	LT	
	Estimated cost			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____
0035	Pacific Theater of Operation for	1	LT	

<u>Item</u>	<u>Description</u>	<u>Qty</u>	<u>U/I</u>	<u>Amount</u>
	FY09 Option Year			
	Operation of MBFs in Japan, Okinawa, Korea, Diego Garcia, Cuba and Honduras:			
	Total operating income			\$_____
	Total operating expense			\$_____
	Net operating income (expense)			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____
0036	Operation of a centralized POC in FY09 Option Year in support of the European and Pacific Theaters of Operation	1	LT	
	Estimated cost			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____
0037	European Theater of Operation or FY10 Option Year:	1	LT	
	Operation of MBFs in Germany, the Netherlands, United Kingdom, and Iceland:			
	Total operating income			\$_____
	Total operating expense			\$_____
	Net operating income (expense)			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____
0038	Operation of a CONUS centralized	1	LT	

<u>Item</u>	<u>Description</u>	<u>Qty</u>	<u>U/I</u>	<u>Amount</u>
	data processing center in FY10 Option Year in support of the European and Pacific Theaters of Operation:			
	Estimated cost			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____
0039	Pacific Theater of Operation for FY10 Option Year:	1	LT	
	Operation of MBFs in Japan, Okinawa, Korea, Diego Garcia, Cuba and Honduras:			
	Total operating income			\$_____
	Total operating expense			\$_____
	Net operating income (expense)			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____
0040	Operation of a CONUS centralized POC in FY10 Option Year in support of the European and Pacific Theaters of Operation:	1	LT	
	Estimated cost			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____
0041	European Theater of Operation	182	LT	

<u>Item</u>	<u>Description</u>	<u>Qty</u>	<u>U/I</u>	<u>Amount</u>
	for FY11 6-Month Transition Period:	days		
	Transition and operation of MBFs in Germany, the Netherlands, United Kingdom, and Iceland:			
	Transition costs			\$_____
	Total operating income			\$_____
	Total operating expense			\$_____
	Net operating income (expense)			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____
0042	Operation of a CONUS centralized data processing center in FY11 6-Month Transition Period in support of the European and Pacific Theaters of Operation:	182 days	LT	
	Estimated cost			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____
0043	Pacific Theater of Operation for FY11 6-Month Transition Period:	182 days	LT	
	Transition and operation of MBFs in Japan, Okinawa, Korea, Diego Garcia, Cuba and Honduras:			
	Transition costs			\$_____
	Total operating income			\$_____
	Total operating expense			\$_____
	Net operating income (expense)			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____
0044	Operation of a CONUS centralized	182	LT	

<u>Item</u>	<u>Description</u>	<u>Qty</u>	<u>U/I</u>	<u>Amount</u>
	POC in FY11 6-Month Transition Period in support of the European and Pacific Theaters of Operation:	days		
	Estimated cost			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____
0045	European Theater of Operation for FY11 6-Month Administration Close-out Period:	182 days	LT	
	Transition and operation of MBFs in Germany, the Netherlands, United Kingdom, and Iceland:			
	Transition costs			\$_____
	Total operating income			\$_____
	Total operating expense			\$_____
	Net operating income (expense)			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____
0046	Operation of a CONUS centralized data processing center in FY11 6-Month Administration Close-out Period in support of the European and Pacific Theaters of Operation:	182 days	LT	
	Estimated cost			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____
0047	Pacific Theater of Operation for	182	LT	

<u>Item</u>	<u>Description</u>	<u>Qty</u>	<u>U/I</u>	<u>Amount</u>
	FY11 6-Month Administration Close-out Period:	days		
	Transition and operation of MBFs in Japan, Okinawa, Korea, Diego Garcia, Cuba and Honduras:			
	Transition costs			\$_____
	Total operating income			\$_____
	Total operating expense			\$_____
	Net operating income (expense)			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____
0048	Operation of a CONUS centralized Permanent Operations Center in FY11 6-Month Administration Close-out Period in support of the European and Pacific Theaters of Operation:	182 days	LT	
	Estimated cost			\$_____
	Fixed fee			\$_____
	Total cost plus fee			\$_____

Minimum first task order is CLINS 0001 through 00020.

END OF SECTION B

SECTION C

DESCRIPTION/SPECIFICATIONS/WORK STATEMENT STATEMENT OF WORK (SOW)

C-1. OBJECTIVES

a. The overall DoD objectives for the OMBP include:

(1) Providing full banking services that are comparable, in scope and cost, to those available in the CONUS to authorized individuals that include, active duty U.S. military personnel; DoD civilian employees who are U.S. citizens; U.S. citizens who are employees of all other U.S. Government departments, agencies, and nonappropriated fund instrumentalities (NAFI) carrying on functions on a DoD installation overseas; as well as authorized family members of such military and civilian employees.

(2) Improve customer service and reduce costs.

(3) Providing banking services that meet "Quality of Life" standards, as defined in service regulations, of our U.S. forces stationed overseas by offering quality and timely products and services that meet the needs of the customer.

(4) Identifying income and cost by military departments.

b. Contractor objectives: The Contractor shall provide authorized individuals stationed overseas quality and timely banking products and services at designated DoD overseas MBFs. To assure that this objective is accomplished in an efficient and effective manner, overall DoD goals for Contractor operations of the OMBP include:

(1) Maximizing the use of automation in bank operations when cost effective.

(2) Enhancing operational and management efficiencies and expanding revenue-producing products and services.

(3) Identifying and allocating costs incurred to the banking products and services provided (profit/loss reports).

(4) Standardizing and improving the usefulness of reported data.

(5) Improving MBF employee effectiveness and efficiency through a continuous training program that supports technology, products, and customer service.

(6) Centralizing headquarters and support functions, where possible, to streamline operations and improve efficiency.

C-2. LICENSING REQUIREMENTS

a. MBF Operations: Shall be conducted only after the Contractor receives a letter of designation by the U.S. Treasury Department as a Depository and Financial Agent of the U.S. Government. In addition, licenses or host-country approvals are required in the following areas: the Federal Republic of Germany, Iceland, the United Kingdom, the Netherlands, the Republic of Korea, and Diego Garcia. These requirements are identified in Section J, Attachment 4. These licensing agreements are in addition to the State banking license requirement for the State of Ohio that the Contractor must obtain to operate the POC, and the Contractor's home State banking license if other than Ohio. No retail banking license for the State of Ohio is required to operate the POC, just a license to establish a banking office. An out-of-state bank license for the State of Ohio to operate the POC backroom operation costs approximately \$100. Under the state's foreign corporation bank licensing statute, Section 1703.03 of the Ohio Revised Code, an application must be filed with the Superintendent of Financial Institutions, Division of Financial Institutions, Department of Commerce, State of Ohio to establish a banking office in the state of Ohio. Approval normally takes approximately 90 days. The Contractor will coordinate with the Contracting Officer Representative (COR) prior to contacting any host-country official concerning a banking license or host-country approvals to operate.

b. As a matter of policy, any contract with a host-country official concerning a license or approval to operate will be accomplished by the appropriate military Commander, unless advised otherwise by the COR.

c. Bonding/Capitalization Requirements: With respect to any bonding/capitalization requirements which may require a deposit of monies and a commitment of assets, or a compensating balance or similar requirements that may be part of the license application process, the U.S. Government's position is that such requirements shall be waived by the host country due to the unique nature of the U.S. Military Banking Program. The Contractor is directed not to meet any such bonding/capitalization requirements, which would otherwise be

applicable to financial institutions wishing to operate in the host country. These matters will be reported to the COR for resolution. Negotiations with the host-country authorities, however described, relative to any bonding and capitalization requirements, which may be required, is the sole responsibility of the U.S. Government and not the Contractor. The Contractor is prohibited from negotiating any agreements with foreign financial institutions or governments (correspondent bank relationships are excluded from this restriction). Any delay in the performance of the contract incident to such negotiations is expressly deemed to be an excusable delay beyond the control of the Contractor and without fault or negligence of the Contractor. The U.S. Government is expressly and solely responsible for all direct or consequential damages to the program or customers of the Military Banking Program flowing from the implementation of this paragraph; provided, however that nothing herein shall be deemed to create an obligation in advance of appropriations in violation of law. The Contractor, under the latter provision, would be responsible for any and all liabilities that resulted from unauthorized contact with financial institutions and governments prohibited above.

C-3. DESIGNATION OF MILITARY BANKING FACILITIES

a. A full-time MBF is one that operates a minimum of 5 days per week, including any approved evening and weekend service.

b. A part-time MBF is one that operates less than 5 days per week, exclusive of additional payday service. Part-time MBFs shall include arrangements for payday check cashing and local currency sales. Part-time operations generally are supported out of a nearby full-time location.

c. A Payday Service Facility is one where service is provided only on paydays. Payday Service Facilities will be so designated by the COR.

C-4. DESIGNATED LOCATIONS

Retail banking services shall be provided at those overseas locations designated in Section J, Attachment 1.

C-5. AUTHORIZED CUSTOMERS

The Contractor shall provide banking services to the clients defined below:

(1) Full banking services. Authorized individuals include, active duty U.S. military personnel; DoD civilian employees who are U.S. citizens; U.S. citizens who are employees of all other U.S. Government departments, agencies, and NAFI carrying on functions on a DoD installation overseas; as well as authorized family members of such military and civilian employees. In addition, DoD Component Commands may approve banking services for other individuals when they qualify for individual logistic support under regulations of the appropriate military service which is not precluded by Status of Forces Agreement (SOFA), other intergovernmental agreements, or host-country or local law. Users of the MBF must possess a valid U.S. Government identification card that authorizes banking privileges.

(2) Limited banking services. Authorized individuals include active duty U.S. military personnel and U.S. Government civilian personnel on temporary duty; U.S. Reserve military personnel on temporary active duty tours or annual training for less than 180 days; and active duty personnel on authorized leave may receive limited banking services where not precluded by SOFAs, other intergovernmental agreements, or host-country or local law. These services will include cashing of traveler's checks, foreign currency conversions, other cash transactions, and automated teller machine (ATM) usage. U.S. Reserve military personnel on extended active duty tours may, at the Contractor's discretion, open a savings account with ATM access.

(3) Military Disbursing Officers (DO). Military DOs duly designated within the DoD.

(4) NAFI and Employees

(a) Other DoD instrumentalities as defined and authorized under the regulations of the DoD or a DoD component.

(b) Employees of NAFI may be authorized banking services when they qualify for individual logistical support under subparagraph (1) above.

(5) Private Organizations and Employees

(a) Private organizations as defined and authorized to function on DoD installations under the regulations of the DoD or a DoD component.

(b) Employees of private organizations may be authorized banking services when they qualify for individual service under subparagraph (1) above or when they qualify for

individual logistic support under regulations of the appropriate DoD component.

(6) DoD Contractors and Contractor Employees

(a) Contractors, colleges, and universities may be permitted to establish accounts in their corporate name where not precluded by SOFAs, other intergovernmental agreements, host-country or local law. A request to establish an account(s) will be coordinated with the appropriate Major Command Staff Judge Advocate prior to approval to open the account.

(b) Employees of DoD contractors, colleges, and universities may be authorized banking services when they qualify for individual logistical support under subparagraph a above.

(7) Encashment of host-nation employee government paychecks for non-U.S. personnel who are employed at the installation on which the MBF is located, or employed at a nearby installation without a MBF, when approved by the theater commander. Government paycheck is defined as payroll and travel checks issued by both appropriated fund and nonappropriated fund instrumentalities.

C-6. PRODUCTS AND SERVICES

a. The Contractor shall provide such banking products and services as are designated herein. During the period of performance, products and services may be established, eliminated, or otherwise modified, as determined by the COR, subject to all requirements of the Contractor's foreign banking licenses and approvals (see Section B-3, Changes). When a change is approved, the Contracting Officer will notify the MBF Contractor in writing and incorporate into the contract by modification.

b. Prior to providing any authorized services, the Contractor will obtain, from all authorized customers, applicable identification numbers, such as employer identification number (EIN) and taxpayer identification number (TIN).

C-6-1. INDIVIDUALS

The following products and services shall be made available to authorized individuals:

(1) Regular checking account services.

- (2) Money market checking accounts.
- (3) Savings accounts.
- (4) ATM cards.
- (5) Certificates of deposit (CD).
- (6) Check cashing as authorized.
- (7) Foreign currency drafts (where available).
- (8) Cashiers checks, money orders, and traveler's checks.
- (9) Personal loans.
- (10) Sale and repurchase of local currency, and when permitted by the host country and approved by the appropriate DoD component military command, sale and repurchase of currency of other countries. All sales shall be for U.S. dollars.
- (11) Direct deposits.
- (12) Bank by mail.
- (13) Sale and redemption of U.S. savings bonds
- (14) Incoming and outgoing collections (bank-to-bank transfers).
- (15) Incoming and outgoing wire transfers to U.S. bank accounts.
- (16) Access to MBF ATMs for the following:
 - (a) Deposits, withdrawals, account-to-account transfer, as well as balance inquiries for MBF accountholders.
 - (b) Cash withdrawals and balance inquiries, through approved ATM networks, for both accountholders and nonaccountholders.
 - (c) Cash advances from credit cards through approved ATM networks.
- (17) Automatic transfers between accountholder's accounts.
- (18) Negotiated credit lines.

- (19) Overdraft protection.
- (20) Acceptance of rent and utilities payments (where available).
- (21) Local currency checking accounts (where available).
- (22) Standing payment orders in foreign currency for rent, utility, and telephone payments (where available).
- (23) Yen Electronic Funds Transfers (EFT) (Japan only).
- (24) Within the U.S. a toll-free customer service line for client balance and information inquiries.
- (25) Miscellaneous bill paying service in local currency by EFT where permitted by the host country.
- (26) Point of Sale (POS) electronic debit transactions for OMBP accountholders utilizing the customer issued ATM card.

C-6-2. MILITARY DISBURSING OFFICERS

The following products and services shall be made available to military DOs:

- (1) Receipt of deposits for credit to the U.S. Treasury, microfilming both sides of negotiable instruments and maintaining the microfilm records for at least three years.
- (2) Provide U.S. currency.
- (3) Provide local currency.
- (4) U.S. dollar custody account agreements as approved by the COR, where the bank is the custodian of the funds.
- (5) Local (host country) currency checking account services, when permitted by the host country and the COR.
- (6) Third-country currency Limited Deposit Accounts (LDA), when permitted by host country and the COR.
- (7) EFTs or other bank transfers in U.S. Dollars, host country, and third-country currencies.
- (8) Bank acceptance of EFTs data via magnetic tape, floppy disk, or modem connection.

C-6-3. NONAPPROPRIATED FUND INSTRUMENTALITIES (NAFIs)

The following products and services shall be made available to NAFI in accordance with Section C-5(5):

- (1) Checking account services in U.S. dollars, local currency, and third-country currencies, where available.
- (2) U.S. dollar checking and money market accounts.
- (3) Provide U.S. currency.
- (4) Provide local currency.
- (5) U.S. dollar savings account.
- (6) Certificates of deposit.
- (7) Night depositories (where available).
- (8) EFTs or other bank transfers in U.S. dollar, host-country, and third-country currencies.
- (9) POS transactions.

C-6-4. PRIVATE ORGANIZATIONS

The following products and services shall be made available to authorized private organizations authorized in accordance with Section C-5(5):

- (1) U.S. checking account services, including money market checking accounts.
- (2) Local currency checking accounts, where authorized by the host country and approved by the COR.
- (3) Savings accounts.
- (4) Certificates of deposits.
- (5) U.S. and local currency when needed for authorized accommodation sales or payroll or vendor payments.

C-6-5. CHANGES IN PRODUCTS AND SERVICES

a. Upon contract award and during the period of performance, products, services, and MBF locations may be established, eliminated, or otherwise modified(see Section B, Changes). The COR will recommend approval of changes to the Contracting Officer. The Contracting Officer will notify the Contractor in writing and incorporate changes into the contract by modification.

b. The Contractor should explore the costs and benefits of providing new products and services. When such additional service options are identified, a proposal citing the costs and benefits should be submitted to the COR for consideration. Prior to implementation, the Contracting Officer will notify the Contractor in writing and incorporate into the contract by modification.

(1) The Contractor shall monitor comparable products and services for major U.S. banks and overseas defense credit unions.

(2) The Contractor's written proposal shall be forwarded to the Contracting Officer with copies to the Defense Financial Institutions Services Office (DFIS) at the addresses listed below:

DFAS Columbus Center
Attn: DFAS-HQ/ASO (Contracting Office)
3990 East Broad Street, Building 21
Columbus, OH 43213-1152

DFAS Columbus Center
Attn: DFAS-HQ/F(DFIS)
3990 East Broad Street, Building 21
Columbus, OH 43213-1152

(3) The Contractor's notification shall:

(a) Identify both the current products and services and the proposed changes;

(b) Indicate the estimated financial impact and staffing requirements of the proposed changes to the program;

(c) Identify comparable products and services at major U.S. banks and overseas defense credit unions, and;

(d) Identify system changes and client notification requirements.

(4) The COR shall accept or decline the Contractor's written proposal within a reasonable period of time. The Contracting Officer shall notify the Contractor in writing and incorporate approved changes into the contract by modification.

C-7. FEES FOR PRODUCTS AND SERVICES

The Contractor shall provide and charge for the following banking products and services based on the guidance provided:

C-7-1. APPLICABILITY OF CHARGES

The charges, fees, rates, and minimum balances discussed in Section C-7 are contained in Section J, Attachment 7 and shall be assessed, or otherwise applied, to authorized customers of the MBF. During the period of performance, allowable service charges may be established, eliminated, or otherwise modified as determined by the COR. When a change is approved, the Contracting Officer will notify the Contractor in writing and incorporate them into the contract by modification. Following approval of a new service or a change in fee, the Contractor will immediately prepare a Public Affairs announcement for distribution to all commands advising them of the change(s) and the effective date the change(s) will become effective.

C-7-2. CHECKING ACCOUNT POLICY

a. REGULAR CHECKING POLICY

(1) No monthly fee or charges shall be made on personal accounts with direct deposit.

(2) A monthly charge shall be made on personal accounts without direct deposit, when the balance falls below the established minimum daily balance.

(3) There is no minimum opening balance.

(4) A charge shall be made if an account is closed within 90 days of opening the account. The Contractor may waive this charge on a case-by-case basis.

(5) A monthly charge shall be assessed on all inactive and dormant accounts when the account balance is below the established daily minimum balance, except for officially designated missing in action (MIA), prisoner of war (POW), or

deceased accountholders. Charges shall not continue to be levied once an account balance is depleted. The Contractor may waive the monthly charge on a case-by-case basis.

(6) A charge shall be made for an individual accountholder stop-payment order applicable to a check or a consecutive series of checks.

(7) A charge shall be made for each stop-payment order for each check, or consecutive series of checks, written by a NAFI or private organization accountholder.

(8) A charge shall be made for each overdraft on a personal checking account.

(9) The Contractor shall have the authority to suspend banking privileges following written notification based on the bank's standard business practice for any customer that consistently overdraws their account.

(10) Separate notification shall be provided to customers for all dishonored checks.

(11) Interest shall not be paid on balances in regular checking accounts.

(12) A charge for check order costs shall be made. All check starter kits shall be issued without charge.

(13) No charges shall be made for accounts established by military command or installation officials for the purpose of holding funds received from patients or prisoners.

(14) The Contractor shall negotiate account analysis fees to determine charges for NAFI and other organizational accounts. (This analysis shall include a charge for uncollectible checks, and shall be commensurate with the costs of services rendered and not covered by the average daily account balance.)

(15) If under analysis, a NAFI, private organization, or private contractor shall be assessed a charge of the prime rate plus one percent for the amount of the overdraft, overdrawn balance, or uncollected funds at the discretion of the Contractor.

b. MONEY MARKET CHECKING ACCOUNTS

(1) During any month in which the account balance falls below the established minimum daily balance, a monthly charge shall be made on the account.

(2) There is a minimum opening balance.

(3) A charge shall be made if an account is closed within 90 days of opening. The Contractor may waive this charge on a case-by-case basis.

(4) A monthly charge shall be made on all inactive/dormant accounts when the account balance is below the established daily minimum balance, except for officially designated MIA, POW, or deceased accountholders. Charges shall not continue to be levied once an account balance is depleted. The Contractor may waive monthly charges on a case-by-case basis.

(5) A charge shall be made for each stop-payment order for a check, or a consecutive series of checks from individual, NAFI, and organizational accounts.

(6) A charge shall be made for each overdraft of a personal checking account.

(7) The Contractor shall have the authority to suspend banking privileges for any customer that consistently overdraws their account during a 6-month period.

(8) A charge for check order costs shall be made.

(9) No interest shall be paid when an account balance falls below the established daily minimum balance during the statement period.

(10) No charges shall be made for accounts established by military command or installation officials for the purpose of holding trust monies received from patients or prisoners.

(11) The Contractor shall negotiate account analysis fees to determine charges for NAFI and other organizational accounts (this analysis shall include a charge for uncollected checks and shall be commensurate with the cost of services rendered and not covered by the average daily account balance).

(12) If under analysis, a NAFI, private organization, or private contractor shall be assessed a charge of the prime rate plus one percent for the amount of the overdraft, overdrawn

balance, or uncollected funds at the discretion of the Contractor.

(13) Interest rates paid shall be as provided for in accordance with the provisions of Section C-8-3. No interest is paid when the account balance falls below the established daily minimum balance.

c. DISHONORED CHECKS

(1) The Contractor will prepare a written demand letter requesting payment, plus any charges, within 30 days.

(2) If payment is not received by the requested date, the debt will be forwarded to DFAS for collection.

(3) A charge shall be made for each dishonored check written on a MBF account.

(4) For an accountholder, each check deposited or cashed which is subsequently dishonored, the amount will be charged back to the account and a charge will be assessed.

(5) The amount of a dishonored check, plus a return check charge, will be recovered from any accounts that the accountholder may have with the Contractor.

(6) For a nonaccountholder, each check cashed which is subsequently dishonored, the amount plus charge will be recovered through normal collection processes.

(7) For organizational account services charged through account analysis, a charge shall be made to the NAFI or private organization that deposited an item determined to be noncollectible.

C-7-3. SAVINGS ACCOUNT

a. During any month in which the account balance falls below the established daily minimum balance, a charge shall be made for that month. Excluded from this charge are accounts established for dependents under 16 years of age (minor accounts), accounts with direct deposit, and withdrawals closing an account.

b. Interest shall not be paid on individual savings accounts when the account balance for the statement period falls below the established daily minimum balance. Interest shall not be paid on minor accounts when the account balance for the

statement period falls below the established daily minimum balance.

c. Interest rates paid shall be as provided for in accordance with the provisions of Section C-8-3.

d. There is no minimum opening balance.

e. A charge shall be made if a regular savings account is closed within 90 days of opening the account. The Contractor may waive this fee on a case-by-case basis. There is no charge for a minor account.

f. A monthly charge shall be made on all inactive/dormant accounts when the account balance is below the established daily minimum balance, except for officially designated MIA, POW, or deceased accountholders. This applies to both regular and minor savings accounts. Charges shall not continue to be levied once an account balance is depleted. The Contractor may waive monthly charges on a case-by-case basis. No monthly charge shall be made for inactive minor accounts.

g. A charge shall be made for each savings account withdrawal that creates, or increases, an overdraft. This applies to both regular and minor savings accounts.

h. The Contractor shall have the authority to suspend banking privileges for any customer that consistently overdraws their account within a 6-month period.

i. Charges for savings account kit orders: A charge shall be made for savings account kits. This applies to both regular and minor savings accounts. The savings account starter kit shall be issued at no cost.

j. No charges shall be made for accounts established by military command installation officials for the purpose of holding funds received from patients or prisoners.

k. Automatic debits from a MBF account shall be made available for MBF loan payments and standing payment orders (where available), and one-time deutsche mark (DM)/Euro payments (Germany only).

l. Automatic transfers between MBF accounts are available to accountholders.

m. No charges shall be made for accounts established for the sole purpose of loan repayment.

C-7-4. INACTIVE AND DORMANT ACCOUNTS

a. Accounts are considered inactive when no customer-initiated activity has occurred for a period of 90 days. Inactive accounts are subject to a monthly charge. No charge shall be made on inactive accounts where the daily minimum balance is on deposit.

b. Accounts are considered dormant when no customer-initiated activity has occurred during the preceding 12 months. A monthly charge is collected on dormant accounts. When an account becomes dormant, the Contractor will provide written notification to the accountholder's last known address. No charges will be assessed to the account once an account balance reaches zero. No charge shall be made on dormant accounts where the daily minimum balance is maintained.

c. No inactive/dormant monthly charges will be collected for officially designated MIA, POW, or deceased accountholders.

d. In accordance with Federal and State banking regulations, dormant accounts may be closed and the remaining funds escheated. In addition to any notices of unclaimed property required in the Contractor's State of domicile, announcements will also be published in a medium circulated in the MBF area. A copy shall be forwarded to the COR.

C-7-5. AUTOMATED TELLER MACHINE (ATM) CARD

a. Checking or savings account is required to receive an ATM card.

b. There is no charge for issuing ATM cards.

c. A charge shall be made on overdrawn accounts and for each withdrawal that creates or increases an overdraft.

d. Maximum daily withdrawal limit is prescribed.

e. A charge shall be made for an ATM balance inquiry transaction for accountholders using an ATM outside the OMBP ATM network.

f. A charge shall be made for an ATM account transfer transaction for accountholders using an ATM outside the OMBP ATM network.

g. A charge shall be made for an ATM cash withdrawal transaction for accountholders using an ATM outside the OMBP ATM network.

h. A charge shall be made for all other ATM transactions for accountholders using an ATM outside the OMBP ATM network.

i. There is no charge for accountholders/nonaccountholders to process transactions using an OMBP ATM.

j. ATM cards shall provide for direct debit to accountholder accounts for retail POS transactions. There shall be no charge for POS transactions.

C-7-6. CERTIFICATES OF DEPOSIT

a. All CDs purchased by individuals shall be denominated in U.S. dollars.

b. CDs shall be offered with a variety of maturity periods, between 3 months and 3 years.

c. CDs may be redeemed prior to maturity, subject to early withdrawal penalty equal to 1 month's interest for CDs with a maturity period of 1 year and 3 month's interest for CDs exceeding 1 year maturity. Early withdrawals must be consistent with Internal Revenue Service (IRS) guidance.

d. Individuals that purchase CDs may continue to hold items until maturity regardless of whether they transfer from an overseas assignment.

e. CDs for organization accounts may be issued in foreign currency where not precluded by SOFAs, or other intergovernmental agreement, host-country, or local law.

f. Interest rates offered on CDs should be comparable with those offered by U.S. financial institutions. The Contractor may take advantage of investment opportunities, which provide greater yields. CDs will be managed under a separate, stand-alone, managed asset and liability program resulting in net income to the contract.

C-7-7. CHECK CASHING SERVICES

Checks or negotiable instruments shall be cashed or accepted for deposit or collection when presented by the drawer or payee named therein.

(1) Accountholders and Nonaccountholders. The following shall be cashed when presented by an authorized customer: Personal checks drawn on a MBF account, U.S. Federal, State, and local tax refund checks, or other U.S. Government checks; checks or negotiable instruments drawn on financial institutions providing banking services at DoD installations in Spain, and Turkey; host nation government paychecks for non-U.S. personnel who are employed at the installation on which the MBF is located, or employed at a nearby installation without a MBF when approved by the theater commander and not restricted by the SOFA or local law.

(2) Accountholders.

(a) No charge shall be made for checks or negotiable instruments accepted for deposit to a checking or savings account. A hold for a minimum of 7 business days may be placed from the date of deposit, or longer if the bank determines it to be necessary.

(b) No charge shall be made for cashing personal checks or checks drawn on MBF accounts administered by the Contractor up to the accountholder's available balance.

(c) Checks not exceeding the accountholder's combined account balances by more than the established dollar limit, that are drawn on other financial institutions, will be cashed without charge.

(d) A charge shall be made for cashing checks that are drawn on other financial institutions that exceed the combined available balances of the accountholder's checking and/or savings account(s) by more than the established dollar limit.

(e) Checks payable in U.S. dollars drawn on banks outside the U.S. in U.S. dollars with a "MICR line" will be cashed or deposited at the discretion of the Contractor.

(f) Checks payable outside the U.S. denominated in foreign currency will be accepted for collection only and all charges incurred by the bank in processing these financial instruments will be passed on to the customer.

(g) There is no charge for cashing U.S. Federal, State, or local tax refund checks or other U.S. Government checks.

(h) A charge shall be made for cashing all yen drafts (Japan only). Other financial institutions receiving bank charges incurred by the MBF for cashing yen checks will be passed on to the customer in addition to the check cashing charge.

(3) Nonaccountholders

(a) No charge shall be made for cashing checks drawn on a MBF account.

(b) A charge shall be made for cashing U.S. Federal, State, or local tax refund checks or other U.S. Government checks.

(c) A charge of one percent of face value (or the minimum charge, whichever is greater) shall be made for cashing:

1. Money orders and travelers checks.

2. Personal checks and credit union share drafts on U.S. financial institutions not to exceed the daily dollar limit per day.

3. Checks drawn on financial institutions providing banking services at DoD installations in Spain, and Turkey not to exceed \$500 per day.

4. Host-nation government paychecks for non-U.S. personnel who are employed at the installation on which the MBF is located, or employed at a nearby installation without a MBF, when approved by the theater commander.

(d) A charge shall be made for cashing all yen drafts (Japan only). Other financial institutions receiving bank charges incurred by the MBF for cashing yen checks will be passed on to the customer in addition to the check cashing charge.

(e) Checks payable outside the U.S. denominated in foreign currency will be accepted for collection only and all charges incurred by the bank in processing these financial instruments will be passed on to the customer.

C-7-8. NOT USED.

C-7-9. SALE OF CASHIERS CHECKS OR DRAFTS, MONEY ORDERS, AND TRAVELERS CHECKS

a. A charge shall be made for the sale of U.S. dollar cashiers checks.

b. A charge shall be made for cashiers checks and bank drafts issued in host or third-country currencies.

c. A charge shall be made for dollar and local currency cashiers checks drawn payable to base/community morale-support funds for relief from Germany ad valorem taxes (Germany only) for accountholders and nonaccountholders.

d. Cashiers check fees will be waived for Army Post Office (APO) or Fleet Post Office (FPO) custodians for remitting postal receipts.

e. A charge shall be made for the sale of money orders.

f. A charge shall be made for travelers checks.

g. Cashiers check fees will apply for all transactions except when disbursing loan proceeds or issuing a check for account closures.

C-7-10. PERSONAL LOANS

Types of personal loans: signature loans, collateral loans, lines of credit, and overdraft protection (accountholders only).

(1) LINE OF CREDIT AND OVERDRAFT PROTECTION.

(a) Interest rates charged for simple interest loans shall be as provided for in accordance with the provisions of Section C-8-3.

(b) For simple interest loans, interest will continue to accrue on past due amounts at the contracted rate. The Contractor shall charge a late payment fee on all past due amounts.

(c) For a line of credit (revolving credit line), the minimum and maximum credit line will be within the terms and conditions prescribed. A charge shall be made if credit line is exceeded.

(d) Overdraft protection shall be offered on checking accounts up to the minimum and maximum amounts

established. If an overdraft protection limit is exceeded and an item is paid, a charge will be made against the account in addition to the standard interest charge.

(e) Loan conditions and collection policies and practices shall be consistent with applicable Federal and State statutes and regulations.

(f) On loans liquidated due to the death of a borrower or coborrower or for nonpayment (defaulted loans), the Contractor shall prepare a debt collection voucher in accordance with the provisions of G-13.

(2) SIGNATURE AND COLLATERALIZED LOANS

(a) Interest rates charged for simple interest loans shall be as provided for in accordance with the provisions of Section C-8-3.

(b) For simple interest loans, interest will continue to accrue on past due amounts at the contracted rate. The Contractor shall charge a late payment fee on all past due amounts.

(c) For an unsecured signature loan (fixed term), the Contractor will offer loans within the terms and conditions specified.

(d) The term of the loan must qualify under the DoD service retention schedules in accordance with Section J, Attachment 9.

(e) For a new auto loan, the maximum term is 72 months and the maximum loan amount is 100 percent of the lesser of the purchase price or Manufacturer's Suggested Retail Price (MSRP).

(f) For preowned late model auto loans (with a minimum manufacturer warranty of 12 months), the maximum term is 72 months, and the maximum loan amount is 100 percent of the lesser of the purchase price or National Automobile Dealers Association (NADA) retail value.

(g) For auto loans not qualifying under (e) or (f) above, the maximum term is 60 months and the maximum loan amount is 90 percent the lesser of the purchase price or NADA retail value.

(h) For a new motorcycle loan, the maximum loan amount is 80 percent of the lesser of the purchase price or MSRP. The maximum term is 48 months.

(i) For a used motorcycle loan on models between 1 and 5 years old, the maximum loan amount is 75 percent of the lesser of the purchase price or the NADA retail value. The maximum term is 36 months.

(j) For CD secured loans, the maximum term and the maximum credit is based on the value and term of the CD.

(k) If an authorized customer is not physically in an area serviced by a MBF, a loan may be granted by mail. Credit applications may be taken by telephone or by mail.

(l) Requirements for cosigners shall be based on an applicant's financial status.

(m) Loan repayment schedules and terms:

1. Shall provide for monthly repayment on an installment basis.

2. Shall require repayment by regular periodic deduction from a MBF account or other financial instrument.

3. May extend beyond a borrower's date of permanent change of station to provide the borrower access to repayment schedules regularly offered by the Contractor.

4. Shall not extend past the borrower's anticipated service separation date based on Retention Schedule Guidelines.

5. The borrower is advised, in writing, that the option to continue a loan past the separation date is at the discretion of the Contractor and not a right of the borrower.

(n) Loan conditions and collection policies and practices shall be consistent with applicable Federal and State statutes and regulations.

(o) On loans liquidated due to the death of a borrower, coborrower or for nonpayment (defaulted loans), the Contractor shall prepare a debt collection voucher in accordance with the provisions of G-13.

C-7-11. OTHER MISCELLANEOUS CHARGES

a. Accountholders shall be charged for each unencoded check and withdrawal slip used to withdraw funds from an account. The charge shall not apply to either new accountholders who have not received their initial supply of withdrawal slips or checks, or when waived by the Contractor.

b. A charge shall be made for the second and each subsequent bank statement reconciliation performed by the Contractor provided no bank error is involved. This charge can be waived by the Contractor on a case-by-case basis.

c. A charge shall be made for each copy of a bank statement when the requested statement is not more than 6 months old. This charge can be waived by the Contractor on a case-by-case basis.

d. A charge shall be made for each copy of a bank statement when the requested bank statement is more than 6 months old. This charge can be waived by the Contractor on a case-by-case basis.

e. There is no charge for screen print statement copies.

f. A charge per item shall be made for each copy of a deposit slip, withdrawal slip, canceled check, or other document. Charges shall be waived when an accountholder shows documentation from the U.S. IRS requiring substantiation under IRS tax audit proceedings.

g. A charge shall be made for each copy of a requested DM denominated check that has been truncated by the German banking system (Germany only).

h. A monthly charge shall be made for each standing payment order.

i. For incoming wire transfers, there is no charge for accountholders. A charge shall be made for outgoing wire transfers made by accountholders. A charge shall be made for incoming and outgoing wire transfers for nonaccountholders. Applicable foreign currency wire fees will be passed on to the customer (accountholder and nonaccountholder).

j. There is no charge for transfer of funds between MBF banks.

k. No charge shall be made for the sale and redemption of U.S. savings bonds.

l. Federal Deposit Insurance Corporation (FDIC) insurance premiums shall be assessed on all MBF NAFI and organizational accounts subject to account analysis.

m. A charge shall be made for miscellaneous electronic local currency payments.

n. The Contractor shall perform an account analysis on all NAFI and other organizational accounts to determine account service charges. Standard banking industry analysis modeling tools will be used in determining charges and appropriate corresponding balances.

C-7-12. LOCAL CURRENCY INDIVIDUAL CHECKING ACCOUNTS

This is only applicable to the British pound sterling checking accounts.

(1) A monthly charge shall be made when the account balance falls below the established daily minimum balance.

(2) No minimum opening balance is required.

(3) A charge shall be made if an account is closed within 90 days of opening the account. This charge can be waived by the Contractor on a case-by-case basis.

(4) A monthly charge shall be made on all inactive/dormant accounts, except for officially designated MIA, POW, or deceased accountholders. Charges shall not continue to be levied once an account balance is depleted. This charge can be waived by the Contractor on a case-by-case basis.

(5) The Contractor shall charge for each of the following services and products: check orders; check guarantee card; standing payment order; stop payment; and for each overdraft.

(6) The dollar-to-sterling exchange rate of 1.01 times the acquisition rate will be used to convert all U.S. dollar deposit transactions.

C-7-13. SALE AND REPURCHASE OF FOREIGN CURRENCIES

a. Acquisition Rate: The acquisition rate is the rate at which the MBF procures local currency for its use. For establishing the Euro to U.S. dollar acquisition rate, the rate will be calculated based on the average daily interbank costs.

b. Official Rate: The official rate is the rate at which the MBF sells foreign currencies to military DOs for official uses exclusive of resale. Unless otherwise approved by the COR, this shall be at the acquisition rate.

c. Accommodation Rate: The accommodation rate is the rate at which the MBF sells foreign currencies to individuals and to military DOs for resale to individuals. The rate shall not be less than 2.5 percent more than the acquisition rate, except in Korea where the rate is 2 percent more than the local acquisition rate. In countries where there is no MBF, the rate the Contractor sells foreign currency to the military DOs for resale shall be the acquisition rate at which the currency was procured less the cost of obtaining the funds.

d. Reconversion Rate: The reconversion rate is the rate at which the MBF purchases foreign currencies from authorized individuals. The rate shall not be less than 3.5 percent more than the acquisition rate, except in Korea where the rate is not less than 2 percent more than the acquisition rate.

e. Bulk Rate: The bulk rate is the rate at which the MBF sells foreign currencies to NAFI, defense credit unions, and private organizations for local payroll and vendor payments over \$1 million monthly shall be charged an amount not less than .03 percent (.0003) more than the acquisition rate. Bulk sales to NAFI, defense credit unions, and private organizations for local payroll and vendor payments under \$1 million shall be charged an amount not less than .5 percent (.005) more than the acquisition rate. Both of these rates are contingent upon local currency credit agreements between the Contractor and the purchasing activity. For NAFI Euro requirements, the above fees will be increased by a factor of .01 percent (.0001).

f. Wholesale Rate: The wholesale rate is the rate at which the MBF sells foreign currencies to NAFI, defense credit unions, and private organizations for resale to authorized individuals or for local payroll and vendor payments of less than \$1 million per month. The rate generally shall not be less than 1.875 percent more than the acquisition rate. In Germany and the United Kingdom, the co-op rate is used for currency placed with defense credit unions on consignment. The co-op rate generally shall not be less than 2 percent more than the acquisition rate.

g. The rates of exchange for accommodation sale and repurchase, to and from authorized individuals, for foreign currencies other than local currencies and Euro participating countries, shall be at a rate customarily charged by the Contractor for such services. For Euro participating countries,

the Euro to U.S. dollar exchange rate will be calculated using a four position decimal (i.e., one U.S. dollar equals 1.0876 Euro). During the transition of Euro country currencies to the Euro the exchange rate for the sale and repurchase of local currency will be calculated using a four position decimal (i.e., deutsche mark fix of 1.9558 to the Euro).

h. U.S. currency and U.S. dollar instruments shall be converted to local currency for authorized customers.

i. Sale and repurchase of third-country currencies may be made at the discretion of the Contractor, subject to host-country limitations and assurance of a positive financial contribution to the contract (to include exchange risk).

j. Local currency shall be repurchased from authorized customers for U.S. dollars and U.S. dollar instruments.

C-7-14. SUPPLY OF CURRENCY

a. U.S. DOLLARS:

(1) The servicing MBF shall provide transactional U.S. currency and coins to defense credit unions operating "full service" branches, as defined in DoD Directive 1000.11, at no cost or account analysis charge when settlement is made via a local MBF account or other arrangement resulting in immediate availability of funds.

(2) MBFs shall provide cash to a NAFI under either a direct sale or agency agreement.

(3) In areas served by DoD currency Custody Account Agreements:

(a) A Custody Account Agreement shall be in place detailing the Contractor's responsibility with the local command.

(b) The Contractor shall maintain U.S. currency on-hand to meet the requirements of the DoD military DO. The requirement shall be met with U.S. currency in required denominations specified below:

1. Up to \$250,000 in 24 hours

2. Over \$250,000 in 48 hours

(4) The cash management requirements will be formalized through agreements between the Contractor and local military DO.

b. LOCAL CURRENCY:

(1) The Contractor shall be responsible for maintaining local currency on-hand to satisfy the requirements of authorized customers.

(2) Local currency purchased by a military DO shall be posted to their account on the day the purchase order with check is delivered.

(3) The Contractor shall review local currency supplying practices and provide recommendations for more efficient and effective operations to the COR.

(4) Foreign currency rounding procedures proposed by the Contractor shall be submitted to the COR in writing for approval.

(5) Foreign currency exchange rate formulas used to determine accommodation sales and repurchase rates shall be submitted to the COR in writing for approval.

(6) Under no circumstances will adjustments in the exchange rate be made when the Contractor acquires foreign currency pursuant to a U.S. Government contract or purchase agreement.

(7) In the case of a declining foreign currency market, the Contractor shall place a limitation on the sale or repurchase of local currency. The Contractor will provide a contingency plan within 90 days of contract award to the COR for approval outlining daily limits (by country) for the sale and repurchase of foreign currency that will be implemented in a declining market scenario. This plan is essential to prevent the Contractor from overselling its' foreign currency position and to restrict profiteering.

(8) Upon notification from the COR, the Contractor shall suspend or place limits on the sale of cashiers checks, money orders, and travelers checks in local currency.

C-8. MISCELLANEOUS PROVISIONS REGARDING PRODUCTS AND SERVICES

a. In conjunction with mandatory check safekeeping, the Contractor will retain original paid items for at least 90 days and microfilm for at least 7 years. Unless specifically requested in writing by the NAFI or other organization, paid items will not be returned with the account statements.

b. The Contractor shall close accounts when requested by the accountholder in writing and will transfer balances within 5 business days.

c. The Contractor shall transfer payments to a designated bank within 24 hours of receipt of a valid request from a military DO.

d. All U.S. dollar accounts are subject to FDIC insurance.

e. Checks must bear the routing transmittal number of the OMBP.

f. Standard microencoding (MICR) will be used. Checks will be drawn on Community Bank (generic MBF name). The Contractor is authorized to place the corporate bank name on the check with the Community Bank name with the phrase "operated by."

g. The Contractor will process all MBF checks presented overseas as direct posting to individual accounts. Stateside clearance of all other MBF and non-MBF checks will be accomplished using the Federal Reserve Bank - Richmond.

h. The Contractor shall assume and accept for processing all check stock for individual accountholders issued by the previous Contractor for a period not less than 18 months prior to reissuing replacement checks with the Contractor's name on the check stock. Checks issued by the Contractor on new accounts and replacement checks will bear the new Contractor name.

i. Correspondence or notifications required by the contract shall be submitted by the Contractor to the Contracting Officer and the COR.

j. DoD will provide funding for the contract and all modifications.

k. Overseas MBFs shall have access to EFT information within 1 business day after receipt of an EFT transaction.

l. The check number will be provided on the customer's bank statement except when the check number is unavailable or the check is dishonored. The required field for a check number is at least seven digits.

m. Loan approval will not be based on an applicant's Date Eligible for Return from Overseas (DEROS). If otherwise qualified for a loan, the maximum repayment terms can extend beyond the applicant's departure from the overseas location.

n. ATM Only accounts in existence at the start of this contract will be grandfathered. Future requirements to establish ATM Only accounts will be directed by the COR.

o. The Contractor shall conduct four annual car loan campaigns (spring, summer, fall, and winter). With prior approval from the COR, the Contractor is authorized to sponsor new car sales events.

p. The Contractor shall provide limited banking services to foreign citizen employees of U.S. contractors supporting Guantanamo Bay Naval Station, Cuba. Services are limited to ATM Only accounts with the additional services of check cashing, money order purchase, wire transfers, and travelers checks.

(1) A monthly charge shall be made on ATM Only accounts that do not maintain the established minimum daily balance.

(2) A processing fee per employee shall be assessed and collected from the U.S. Contractor submitting the foreign citizen payroll for deposit to their account.

(3) A charge shall be made for cashing checks.

(4) A charge shall be made for the sale of money orders.

(5) A charge shall be made for travelers checks.

(6) A charge shall be made for wire transfers.

(7) A charge shall be made for all over the counter transactions.

(8) A charge shall be made for each ATM card replacement.

q. Debt collection efforts by the Contractor applies to all authorized MBF customers (military personnel, DoD civilian employees, Contractor employees, NAFI employees, Department of Defense School (DoDDS) employees, and all family members, as well as personnel on temporary duty overseas who cash checks at a MBF). The DoD agreement with the Contractor to reimburse it for the debts of authorized patrons establishes the legal suretyship

relationship and right of subrogation for the government to pursue collection of debts through all means available for all patrons and not just DoD personnel. This includes, but is not limited to forwarding the debt for collection to DFAS for follow-on debt collection action; DFAS forwarding uncollectible debt files to commercial collection agencies; and, forwarding debt information to the IRS for tax offset. The Contractor will notify appropriate credit bureaus based on the bank's normal business practices. Procedures for debt collection and forwarding of case files and payment vouchers are contained at C-10, G-8, and G-13.

C-8-1. RECOUPMENT OF U.S. CURRENCY

a. The Defense Finance and Accounting Service (DFAS), DFIS will establish and promulgate policy for the recoupment of U.S. currency. The Contractor and the in-theater central funding office/custody accountholder shall implement the published policy when so directed by DFIS.

b. Payment shall not be made for U.S. dollars recouped until the MBF receives the currency.

c. The Contractor may recoup at a loss when it is in the best interest of the U.S. Government.

C-8-2. NOT USED

C-8-3. ESTABLISHMENT OF INTEREST RATES FOR MONEY MARKET ACCOUNTS, SAVINGS ACCOUNTS, PERSONAL LOANS, AND CERTIFICATES OF DEPOSIT

a. Interest rates for loans and CDs shall be the same for all MBFs within a country. All other interest rates will be the same between countries.

b. Interest rates shall be competitive with major U.S. banks and overseas defense credit unions.

c. Interest rates may be established, eliminated, or otherwise modified by the COR. When a change is approved, the Contracting Officer will notify the Contractor in writing and incorporate into the contract by modification.

d. Subject to the conditions set forth below, the Contractor is authorized to establish or modify interest rates

offered on money market checking, savings, and interest rates charged for personal loans made to authorized customers:

(1) The Contractor shall monitor interest rates for major U.S. banks, overseas defense credit unions, and other competing financial institutions servicing loans in competition with the OMBP.

(2) When the Contractor deems that a change in interest rate(s) is appropriate, the Contractor shall provide a written proposal to the COR for approval.

(3) The proposal shall:

(a) Identify both the current interest rate(s) and the proposed rate(s).

(b) Indicate the estimated financial impact of the proposed changes(s) on the program.

(c) Include a list of comparable rates at major U.S. banks, overseas defense credit unions, and other financial institutions providing loans in the area, as applicable.

(d) Identify system change(s) and/or client notification requirements, if any.

e. The Contractor is authorized to negotiate car loan interest rate(s) up to 50 basis points from the published interest rate(s) to secure a loan (i.e., published interest rate is 6.75 percent; negotiation window range is 6.25 to 6.75 percent).

f. Where notification of the COR is not feasible in advance of a change in interest rates on any single offering, the Contractor shall notify the COR within 5 business days of the change with justification as to why normal procedures under 3 above could not be followed.

C-8-4. ACCOUNT EXTENSION PROVISION

a. Accountholders in good standing may maintain active accounts not to exceed 90 days after permanent change of station.

b. Savings accounts may be maintained longer than 90 days at no charge for purposes of loan repayment past departure from overseas location.

C-9. OTHER MISCELLANEOUS PROVISIONS

C-9-1. DEALINGS WITH CONTRACTOR'S AFFILIATES

The Contractor is authorized to transact business or contract with, or obtain service from, any of the Contractor's affiliates in connection with the performance of banking services, activities, and operations subject to Federal Acquisition Regulation (FAR) 52.244-02, entitled "Subcontract (Cost-Reimbursement and Letter Contracts)."

C-9-2. SERVICE TO NONSPONSORED EMPLOYEES

The Contractor shall provide such banking services to its local national or third-country national employees as is required under local banking and labor agreements, provided such agreements do not violate host-country exchange control regulations or SOFA or similar intergovernmental agreements. However, any losses on employee loans shall be at no cost to the contract or the DoD.

C-9-3. EMERGENCY PLANNING

a. The Contractor shall, in cooperation with appropriate overseas DoD commands, develop plans for smooth transition of banking services in the event of hostilities or other emergencies. All plans will include key personnel names and provisions for the storage of vault combinations or keys with installation security offices. Reviews and updates to the plans will be made as needed. A complete review of such plans shall be conducted periodically at intervals no greater than every 3 years.

b. For this purpose, the Contractor will ensure that its key planners and necessary management personnel are provided secret clearances in accordance with DoD 5220.22-M, "Industrial Security Manual for Safeguarding Classified Information." These plans, and any changes thereto, will be submitted for approval to the banking liaison officer in theater and the appropriate DoD command. After approval by the applicable command, the plans or updates shall be submitted through DoD components to the COR.

C-9-4. FEDERAL STUDENT LOAN PROGRAM

Student loans may be made to authorized customers if the Contractor is a participating bank in the Federal Student Loan Program.

C-10. PROCEDURES FOR THE COLLECTION OF DEBTS

a. The Contractor shall exercise due diligence and attempt to collect amounts owed due to defaulted unsecured loans, dishonored checks, overdrafts, returned insufficient funds checks and related charges.

b. The Contractor shall have the right of offset against the accounts the debtor may have with the MBF.

c. Collection procedures for secured loan debts to be developed by the Contractor, approved by the COR and incorporated into the contract with modification by the Contracting Officer.

d. All debts, military and civilian, will be vouchered to DFAS as prescribed in C-10-1. The contractor shall not write off (expense) any personal debt.

e. The Contractor shall be reimbursed, as an allowable cost hereunder, reasonable costs incurred in the collection of delinquent loans made to authorized banking customers and dishonored checks cashed by the MBF for authorized banking customers, whether or not collection is effected.

f. Notwithstanding the provisions of FAR 31.205-20, the Contractor shall be reimbursed, as an allowable cost hereunder, interest paid by the Contractor on time and savings of authorized banking customers.

C-10-1. PROCESSING DEBTS FOR COLLECTION

a. When a debt is incurred the Contractor shall:

(1) Advise the debtor in writing.

(2) Prepare a debt file to include:

(a) Name, social security account number, grade or rank, and military component.

(b) A copy of the initial financial agreement or paper (i.e., loan contract, dishonored check, and overdrawn account statement).

(c) A summary of all collection efforts to date, including payments received and any correspondence relating to the debt.

(d) Include the appropriate military service accounting line on each debtor file as indicated below:

1. Army:

21*2020 22-8536 P436099 S12121 MA3236

2. Air Force:

57*3400 309 4365 450959 02592

3. Navy:

17*1804 11C0 000 000119 68892 2D POVBKG 0001180VBKGQ N0000000000
8522

4. Marines:

17*1804 11C0 000 000119 68892 2D PBKGOC 000119BKGOKQ
N0001199MPBKGOO

(Note: * equals the fiscal year)

(e) A statement from the Contractor attesting to the current amount due.

(f) A report or other legal documents from the cognizant criminal investigative office, if applicable (e.g., the Criminal Investigative Division (CID) or the Air Force Office of Special Investigation (OSI)).

(3) Within 30 days, the Contractor will prepare a written demand letter requesting payment, plus any charges. If no response within 30 days from issuance of the demand letter, the original debt file will be forwarded to the DFAS for pay offset or other collection action. On a monthly basis, a transmittal letter will accompany all debt files to the designated DFAS collection point as stated in provisions in Section G-12.

(4) The Contractor will not accept debt payments after the debt file is forwarded to DFAS. Payments received after a debt file has been forwarded to DFAS for collection action will be returned to the debtor with a notice that the DFAS will be contacting him/her for payment.

(5) The Contractor shall maintain receipted transmittal letters and debt file copies for a period of 7 years following the debt transfer to DFAS.

b. Liquidation of debt due to death of borrower and/or coborrower:

(1) Unpaid loans shall be liquidated immediately upon the death of a borrower or coborrower when the borrower or coborrower is a military member, a DoD civilian employee, or a sponsored dependent of either a military member or a DoD civilian employee and submit it to the Contracting Officer for payment.

(2) The Contractor shall obtain documentation of the death of the borrower or coborrower. Such documentation shall be in the form of a copy of a death certificate or written notification from the Commanding Officer of the deceased borrower or coborrower.

(3) Upon the receipt of documentation, the Contractor shall cease any and all collection actions against the borrower or coborrower and his or her estate. A copy of the death notice, complete loan file, and any other information will be sent to the Contracting Officer within 10 days of Contractor's receipt.

(4) The debt liquidation voucher shall be forwarded in accordance with Section G-8.

(5) The debt file will be sent to the Contracting Officer on a transmittal letter.

C-11. SUBSTITUTION OF OR ADDITION OF PERSONNEL (JAN 1992)

a. The Contractor agrees to assign to the contract those persons whose resumes, personnel data forms, or personnel qualification statements were submitted as required by Section L to fill the requirements of the contract. No substitution or addition of personnel shall be made except in accordance with this clause.

b. The Contractor agrees that during the contract performance period, no personnel substitutions will be permitted unless such substitutions are necessitated by an individual's sudden illness, death, or termination of employment. In any of these events, the Contractor shall promptly notify the Contracting Officer and provide the information required by paragraph d below.

c. If personnel, for whatever reason, become unavailable for work under this contract for a continuous period exceeding 30 working days, or are expected to devote substantially less effort to the work than indicated in its proposal, the Contractor shall propose a substitution of such personnel, in accordance with paragraph d below.

d. All proposed substitutions shall be submitted, in writing, to the Contracting Officer at least 15 days (30 days if a security clearance must be obtained) prior to the proposed substitution. Each request shall provide a detailed explanation of the circumstances necessitating the proposed substitution, a complete resume for the proposed substitute and any other information required by the Contracting Officer to approve or disapprove the proposed substitution(s). All proposed substitutes (no matter when they are proposed during the performance period) shall have qualifications that are equal to or higher than the qualifications of the person being replaced.

e. In the event a requirement to increase the specified level of effort for a designated labor category, but not the overall level of effort of the contract occurs, the Contractor shall submit to the Contracting Officer a written request for approval to add personnel to the designated labor category. The information required is the same as that required in paragraph d above. The additional personnel shall have qualifications greater than or equal to at least one of the individuals proposed for the designated labor category.

f. The Contracting Officer shall evaluate requests for substitution and addition of personnel and promptly notify the Contractor, in writing, whether a request is approved or disapproved.

g. If the Contracting Officer determines that suitable and timely replacement of personnel who have been reassigned, terminated, or have otherwise become unavailable to perform under the contract is not reasonably forthcoming, or that a resultant reduction of productive effort would impair the successful completion of the contract or the delivery order, the contract may be terminated by the Contracting Officer for default or for the convenience of the government, as appropriate. Alternatively, at the Contracting Officer's discretion, if the Contracting Officer finds the Contractor to be at fault for the condition, he/she may equitably adjust (downward) the contract price or fixed fee to compensate the government for any delay, loss or damage as a result of the Contractor's action.

C-12. YEAR 2000 COMPLIANCE (DFAS C-17) (DEC 1997)

All information technology (including both hardware and software) compliant. "Year 2000 Compliant" means that information technology accurately processes date and time data (including, but not limited to, calculating, comparing, and sequencing) from, into, delivered under this contract shall be "Year 2000 and between the 20th and 21st centuries, and the years 1999 and 2000, and leap year calculations. Furthermore, Year 2000 compliant information technology shall accurately process date and time data when used in combination with other information technology, if the other information technology properly exchanges date and time data with it.

C-13. TECHNICAL DIRECTION (JAN 1992) (DFAS C-31)

a. When necessary, technical direction or clarification concerning details of specific tasks set forth in the contract shall be given through issuance of written Technical Direction Letters (TDL) by the COR.

b. Each TDL shall be in writing and shall include, as a minimum, the following information:

- (1) Date of TDL;
- (2) Contract and TDL number;
- (3) Reference to the relevant section or item in the Statement of Work;
- (4) Signature of COR.

c. Each TDL issued hereunder is subject to the terms and conditions of this contract; and in no event shall technical directions constitute an assignment of new work or changes of such nature as to justify any adjustment to the fixed fee, estimated costs, or delivery terms under the contract. In the event of a conflict between a TDL and this contract, the contract shall control.

d. When, in the opinion of the Contractor, a technical direction calls for effort outside the contract SOW, the Contractor will notify the COR and Contracting Officer thereof in writing within 2 working days of having received the technical direction in question. The Contractor shall undertake no performance to comply with the technical direction until the matter has been resolved by the Contracting Officer through formal contract modification or other appropriate action.

e. Oral technical directions may be given by the COR only in emergency circumstances, and provided that any oral technical direction given is reduced to writing by the COR within 2 working days of its issuance.

f. Amendments to a TDL shall be in writing and shall include the information set forth in paragraph b above. A TDL may be amended orally only by the COR or Contracting Officer in emergencies. Oral amendments shall be confirmed in writing within 2 working days from the time of the oral communication amending the TDL by a TDL modification.

g. Any effort undertaken by the Contractor pursuant to oral or written technical directions issued other than in accordance with the provisions herein shall be at the Contractor's risk of not recovering related costs incurred and corresponding proportionate amount of fixed fee, if any.

END OF SECTION C

SECTION D

PACKAGING AND MARKING

D-1. PACKING, PACKAGING, AND MARKING

All items to be delivered under this contract shall be packaged, packed, and marked to prevent deterioration and damage during shipping, handling, and storage to ensure safe arrival at destination.

END OF SECTION D

SECTION E

INSPECTION AND ACCEPTANCE

E-1. 52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998) (Reference 52.107(b))

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this address:

<http://farsite.hill.af.mil/>

(End of clause)

E-2. 52.246-5 INSPECTION OF SERVICES-COST-REIMBURSEMENT (APR 1984) (Reference 46.305)

E-3. DEFICIENCY REPORTING

a. The commanding officer, or designee, shall report any deficiency in the delivery of banking products and services under this contract to the MBF manager within 10 calendar days of the identification of such deficiency. If the deficiency has not been remedied within 30 calendar days after its identification, the commanding officer shall then report the deficiency, via command channels, to the COR. In the absence of a deficiency report, the COR shall determine that the delivery of banking products and services has been satisfactory.

b. The MBF manager, or designee, shall advise the installation or community commander, or designee, of any deficiencies in logistical support to be provided under this contract, and the area or country banking official shall report such deficiencies to the cognizant military commands. If such deficiencies are not corrected within 30 days, the Contractor shall provide written notification of such deficiencies to the cognizant military department banking liaison office, with a copy to the COR and the Contracting Officer. In the absence of a written deficiency report, the COR shall determine that logistical services have been provided in a satisfactory manner.

E-4. ON-SITE INSPECTIONS

Banking products and services defined herein shall be reviewed, inspected, and monitored by the commanding officer, or designee, of the installation or military community receiving the services. In performing this task, the commanding officer, or designee, shall be guided by this contract and such implementing guidance and DoD component regulations as may be issued. Full compliance with the provisions of the contract will be assumed unless a deficiency is reported to the COR in accordance with E-3 above.

END OF SECTION E

SECTION F

DELIVERIES OR PERFORMANCE

F-1. 52.252-1 SOLICITATION PROVISIONS INCORPORATED BY REFERENCE (FEB 1998) (Reference 52.107(a))

This solicitation incorporates one or more solicitation provisions by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. The offeror is cautioned that the listed provisions may include blocks that must be completed by the offeror and submitted with its quotation or offer. In lieu of submitting the full text of those provisions, the offeror may identify the provision by paragraph identifier and provide the appropriate information with its quotation or offer. Also, the full text of a solicitation provision may be accessed electronically at this/these address(es):

<http://farsite.hill.af.mil/>

(End of Provision)

F-2. 52-252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998) (Reference 52.107(b))

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this address:

<http://farsite.hill.af.mil/>

(End of clause)

F-3. 52.242-15 STOP-WORK ORDER (AUG 1998) (Reference 42.1305(b)) (ALTERNATE I) (APR 1984)

F-4. 52.247-55 F.O.B. POINT FOR DELIVERY OF GOVERNMENT FURNISHED PROPERTY (APR 1984) (Reference 47.305-12(a)(2))

F-5. REPORTING REQUIREMENTS

The Contractor shall be responsible for preparing and transmitting various reports, in such formats and frequencies, as is designated by the COR and the Contracting Officer. The government invites and will consider ideas for reducing the level of detail in the monthly reporting package. The reporting years shall be the federal fiscal year (October 1 through September 30).

(1) The Contractor shall identify, on a product and service basis, its costs (and revenue) for the specified products and services. Should the Contractor not have such a capability at the time of contract award, a period of time, not to exceed 6 months, will be established by the COR to allow for establishment of such capability.

(2) The Contractor shall maintain a products and services profitability information database that is capable of generating a variety of reports. Reports generated from this database must be capable of comparisons to stateside banking charges when such information is available.

(3) The Contractor shall make summary product and service profitability data available to the government in an electronic format compatible with the governments automated systems. Depending on the size of the database, this information will be provided either by diskette or through an on-line access arrangement. Specifics relating to the transfer of automated information will be provided by the COR.

F-6. MONTHLY REPORTS

See Section J, Attachment 3, on the following:

(1) Executive Summary Consolidated Income Statement (reported by theater, military department, and in total).

(2) Income and Expense Report (D-1).

(3) Source and Use of Funds Report. (Reported by country, theater, military department, and in total).

(4) Report of Employee Function Headcount. (Reported by country, theater, military department, and in total).

(5) Report of MBF Employee Headcount. (Reported by MBF and consolidated by country, theater, military department, and in total).

(6) ATM Statistics. (Reported by country, consolidated by military department, and in total). Report provides information on ATM utilization, downtime, and miscellaneous data.

(7) Foreign Currency Exchange Rate Report. (Reported by country and consolidated by military department and in total).

(8) Foreign Currency Fluctuation Variance Report. (Reported by country and consolidated by military department and in total).

(9) Funding Analysis Report. (Reported in total).

(10) Voucher Analysis Report. (Reported by military department and in total).

(11) Report on OMBP Interest Rates. (Reported by country).

(12) Executive monthly narrative report commenting on variances as well as developments in marketing, operations, loan programs, human resources, media coverage, community relations, new service products, and other information as may be required to adequately exercise oversight of the program (subject to agreement between the COR and Contractor).

F-7. QUARTERLY REPORTS (End of Quarter)

a. D-2 Activity Report. (Reported by country, theater, military department and in total.) See Section J, Attachment 3.

b. Investable Balance Report.

c. Worldwide Interest Report. Monthly report to the COR on worldwide competitor interest rates as they compare to the OMBP rates.

F-8. OMBP YEARLY REPORTS (Reported by Fiscal Year)

a. Income and Expense Report. (Reported by MBF, and consolidated by theater, military department, and in total.) See Section J, Attachment 3.

b. Source and Use of Funds Report. (Reported by MBF, and consolidated by theater, military department and in total.)

c. MBF Activity Report. (Reported by MBF, and consolidated by theater, military department and in total.)

d. Recapitulation profitability analysis for the year.

F-9. ANNUAL BUDGET ESTIMATE REPORTS

a. Except as may be otherwise provided for by the COR, budget estimate reports shall be provided in the same formats as specified in the clause entitled Monthly Reports above, but with amounts for the prior year, current year, and budget year, along with reconciliations described in paragraph b below.

b. The following budget data is to be reported:

(1) The budget year shall be the Federal fiscal year, October 1 through September 30.

(2) Unless notified otherwise by the Contracting Officer, the Contractor shall submit budget data for the succeeding fiscal year by April 30 each year.

(3) Following a review of the Contractor's budget data, budget revision discussions for the succeeding fiscal year shall be conducted in July of each year. Parties to these budget discussions will involve the Contracting Office, Program Office, military departments, Defense Contract Audit Agency (when invited), and the Contractor.

(4) Upon the completion of budget discussions, the Contractor shall submit its revised budget by August 31 of each year.

(5) The Contractor shall provide budget estimates in such formats as may be requested by the COR to support the internal DoD budget process review and the President's budget. The Contractor shall submit budget estimates as shown below:

(a) A summary of actual income, expenses, and fees for the prior year.

(b) A summary of current year approved budgeted income, expenses, and fees.

(c) A summary of the current estimate of income, expenses, and fees for the current year.

(d) A reconciliation of differences between amounts in (b) and (c) above.

(e) A summary of estimated income, expenses, and fees for the succeeding budget year.

(f) A reconciliation between the amounts estimated in (3) and (5) above.

F-10. TIMING AND DISTRIBUTION OF REPORTS

a. Monthly reports shall be provided not later than 10 workdays after the end of each month.

b. Quarterly reports shall be for 3-month periods ending on December 31, March 31, June 30, and September 30; and shall be provided not later than 10 workdays after the end of each quarter.

c. Semiannual reports on product and service profitability shall be for the period October through March, and April through September, and be submitted not later than May 31 (for reports covering the period October through March) and November 30 (for reports covering the period April through September).

d. End of program year reports shall cover the entire program year (which is the same as Federal fiscal year, October 1 through September 30) and be provided not later than 45 days after the end of the fiscal year.

e. Budget estimate reports shall be submitted in the timeframe as provided for in the clause entitled Budget Data.

f. The Contractor shall distribute required reports as follows:

(1) One electronic copy and one hard copy of all required reports with a CD ROM shall be delivered to the Contracting Office at the following address:

DFAS Columbus Center
Attn: DFAS-HQ/ASO (Ms. Cheryl Marquez)
3990 East Broad Street, Building 21
Columbus, OH 43213-1152

(2) One electronic copy and one hard copy of all reports required with a CD ROM shall be delivered to the Program Office at the following address:

DFAS Columbus Center

Attn: DFAS-HQ/DFIS (Mr. William Elwell)
3990 East Broad Street, Building 21
Columbus, OH 43213-1152

(3) Each military department's banking liaison office shall be provided an electronic copy of its military department section, as well as the total section of reports: J-3, Narrative Management Reports (involving the military department), and Product and Service Profitability Reports.

(4) Each unified command's banking liaison office shall be provided an electronic copy of its theater of operation section for the following reports: J-3, Narrative Management Reports (involving the theater), and Product and Service Profitability Reports. Copies should be forwarded to:

(a) For the European theater:

Comptroller
Headquarters, U.S. European Command/ECCM
Building 2304, Room 105
Patch Barracks
7000 Stuttgart 80, West Germany
Email: TBD

(b) For the Pacific theater:

Commander in Chief
U.S. Pacific Command
Box 37, Comptroller
Code J-05
Camp H.M. Smith, HI 96861-5025
Email: TBD

(c) For the Southern theater:

HQ U.S. Southern Command (SOUTHCOM)
Office of the Comptroller
7955 NW 12th Street, Suite 450
Miami, FL 33126-1823
Email: TBD

(5) The Commanding Officer of the installation on which a MBF is located shall be provided one copy of its MBF section for the following reports: J-3, Narrative Management Reports (involving the MBF), and end of program year reports as provided for in Section F-5.

(6) In addition to the above distribution, copies of all reports shall be delivered to cognizant Defense Audit Agency Office(s) (address to be listed at time of award)

F-11. TERM OF CONTRACT

a. The term of this contract is from October 1, 2000 through September 30, 2005, with 5 performance option years. The government is not obligated to exercise the option(s). The contract has an additional option period of a 6-month transition-out period; and an additional option period of a 6-month final contract administration period, not to exceed 132 months:

FY 01	-	12 months performance
FY 02	-	12 months performance
FY 03	-	12 months performance
FY 04	-	12 months performance
FY 05	-	12 months performance
FY 06	-	12 months performance option
FY 07	-	12 months performance option
FY 08	-	12 months performance option
FY 09	-	12 months performance option
FY 10	-	12 months performance option
FY 11	-	6 months transition-out option
FY 11	-	6 months administration option

b. The contract may be extended for such additional period of time as may be agreed to by, or negotiated between the government and Contractor. The contract includes Clause 52.217-8, Option to Extend Services (AUG 1989). The option may be exercised more than once, but the total extension of performance under this clause shall not exceed 6 months.

F-12. PLACE OF PERFORMANCE

The Contractor shall perform all services to be provided under this contract at the location(s) set forth below: See Designated Operating Locations at Section J, Attachment 2.

F-13. DAYS AND HOURS

a. Minimum days of customer service at full-time MBFs shall be 5 days per week, including evening and weekend service where approved. However, nothing in this contract is intended to modify existing arrangements for additional hours to meet paydays

and other customer needs so long as the costs of such additional hours were properly and adequately disclosed in the Contractor's cost proposals for the contract year and subsequently approved by the COR, and confirmed in writing by the Contracting Officer.

b. Hours of operation will conform to local command needs and minimize interference with military training requirements. The MBF managers must comply with local labor laws and union agreements when establishing hours of operation with local commanders. Local commands and MBF managers are responsible for setting and making any changes in hours or days of customer service at an approved MBF that meets individual or organizational needs, so long as they do not, in any way, increase allowable costs under this contract. Any changes that will increase the current number of hours of operation at a MBF, or that otherwise could be anticipated to increase allowable costs, must be submitted through the applicable DoD component's command channels to the COR for approval, prior to implementation. Approved change(s) will be confirmed in writing by the Contracting Officer (see Section J, Attachment 2).

c. The Contractor shall provide written notification, not later than the last business day in August, to the theater commanders for approval, of the dates and names of the holidays on which the MBFs anticipate being closed. The holidays will be for the succeeding 12 months beginning October 1. Written notification, as far in advance as the information is available, shall also be provided to the DoD component military command in regard to any changes in or additions to the holidays previously reported. Copies of all such reports shall also be provided to the COR.

d. Written notification, as far in advance as the information is available (this includes closure for employee training), shall be submitted to the COR for approval for any proposed additions, deletions, or other changes in the days or hours that MBFs are scheduled to be open.

e. In order to meet the logistical and military needs of this contract, the Contractor will utilize part-time employees and flexible employee work hours to the maximum extent feasible and that are cost effective.

f. Where cost-effective, a personnel reserve of trained employees will be available to provide services on an on-call or substitute basis to replace absent employees or supplement regular employees under circumstances of heavy demand for services.

g. The Contractor shall have the capability to determine when maintenance and replenishment of an ATM is required, other

than by customer notification. Regularly scheduled ATM maintenance shall not be conducted on payday or during other peak periods when preventable.

h. Except where required for internal control purposes, such as counting bulk cash, loading cash into an ATM, receiving or forwarding cash to a courier, etc., the number of personnel required for dual-control purposes should be kept to a minimum.

F-14. MBF OPERATIONS WITHIN GERMANY

If necessary to meet the requirements of the paragraph entitled DAYS AND HOURS, the U.S. Forces (as represented by Headquarters, United States Army Europe (USAREUR) will grant status under Article 72, paragraph 5, of the Supplemental Agreement to the NATO SOFA to those MBF employees that the U.S. Forces determines are so qualified.

F-15. NOTICE REGARDING LATE DELIVERY

In the event that the Contractor anticipates difficulty in complying with the contract delivery schedule, the Contractor shall notify the COR immediately, in writing, giving pertinent details, including the date by which it expects to make delivery; provided, however, that this data shall be informational only in character and that receipt thereof shall not be construed as a waiver by the government of any contract delivery schedule, or of any rights or remedies provided by law or under this contract.

F-16. EMERGENCY PLANS

Emergency plans will ensure, as a minimum, the indefinite continuation of account services for individual and joint accountholders who may be returned separately to CONUS. These plans, and any changes hereto, shall be submitted to the cognizant banking official in theater and the applicable unified command for approval. The Contractor shall furnish a copy of the approved emergency plans to the COR.

F-17. AUTOMATION

- a. Accounting and reporting transactions and operations will be automated to the maximum extent feasible and cost effective.
- b. Standardize OMBP software/hardware/interfaces will be a high priority where cost effective.
- c. Standardized general ledger and cost center structure will be a high priority where cost effective.
- d. Standardized property accountability system will be a high priority where cost effective.
- e. Automation of customer service delivery systems will be a high priority where cost effective.
- f. As automation operations are employed and deployed, staff reductions should be made when appropriate.
- g. Contractor will submit automation proposals to the COR for review and approval.

F-18. CENTRALIZED AUTOMATED DATA PROCESSING (ADP) OPERATIONS

The Contractor shall provide, or arrange for a CONUS centralized ADP for all MBF operations. The government will review and approve the ADP service provider based on the offeror's technical and cost proposals for obtaining or providing ADP services.

END OF SECTION F

SECTION G

CONTRACT ADMINISTRATION DATA

G-1. RESPONSIBILITIES

In addition to any other responsibilities that may be identified elsewhere in this contract, the following responsibilities also shall apply:

(1) Procuring Contracting Officer and Administrative Contracting Officer for this contract is:

Ms. Cheryl Marquez
Phone: (614) 693-4338
Email: cheryl.marquez@dfas.mil

(a) The Contracting Office's address under this contract is:

DFAS Columbus Center
Attn: DFAS-HQ/ASO (Ms. Cheryl Marquez)
3990 East Broad Street, Building 21
Columbus, OH 43213-1152

Phone: (614) 693-4338
email: cheryl.marquez@dfas.mil

(b) The Contracting Officer is responsible for providing the procurement function and handling the contract administration of the awarded contract.

(c) The Contracting Officer must approve all changes or modifications to the terms or conditions of the contract which obligates the government.

(d) The Administrative Contracting Officer approves all completion/final vouchers and sends them to the disbursing officer.

(e) The Administrative Contracting Officer may issue or direct the issuance of Defense Contracting Audit Agency (DCAA) Form 1 on any cost when there is reason to believe it should be suspended or disallowed. These costs are to be returned to the net investable balance in accordance with the provisions outlined in paragraph G-2(e).

(f) Any questions concerning contractual matters should be referred to the Contracting Officer. The Contractor is

advised that, except as noted in the contract, only the Contracting Officer can change or modify the terms of subject contract or take any other action that obligates the government. Such action may be set forth in a formal modification to the contract.

(g) The Contracting Officer shall direct and ensure that, within 30 days following each payment under this contract, the designated accounting office/payment office making payment to the contractor shall perform the following:

1. Advise the applicable military department's accounting and budget offices.

2. Provide appropriate documentation of all such payments made on behalf of the military department funding the contract.

(h) The Contracting Officer shall ensure that obligation authority, sufficient to fund negotiated, or estimated, costs for this contract have been provided to the applicable accounting office prior to rendering banking services for a military department.

(2) Program Management Office

(a) The Program Management Office under this contract is the Defense Financial Institutions Services Office (DFIS). DFIS is an organizational entity under the Defense Finance and Accounting Service.

(b) The mailing address is:

DFAS Columbus Center
Attn: DFAS-HQ/DFIS
3990 East Broad Street, Bldg 21
Columbus, OH 43213-1152

(c) The COR under this contract is:

To be provided under separate cover letter

(d) The Contractor is advised that only the Contracting Officer can change or modify the contract terms or take any other action which obligates the government. Then, such action must be set forth in a formal modification to the contract. The authority of the COR is strictly limited to the specific duties set forth in his/her letter of appointment, a copy of which is furnished to the Contractor. Contractors who rely on direction from other than the Contracting Officer, or a

COR acting within the strict limits of his/her responsibilities as set forth in his/her letter of appointment, do so at their own risk and expense. Such actions do not bind the government contractually. Any contractual questions shall be directed to the Contracting Officer.

(e) A complete listing of COR duties is in the COR appointment letter. A general listing, not all inclusive, of COR duties is as follows:

1. Establishing policy, coordinating the contract effort, and providing day-to-day program management over the OMBP (this includes establishing policy and procedures for the Contractor).

2. Monitoring and/or recommending specific banking products and services that will be provided by OMBP and specifying charges or fees, or the basis of these, that authorized MBF customers shall be charged.

3. Serving as principal liaison with the Contractor to monitor MBF operations, policies, and procedures. The COR takes action as appropriate.

4. Recommending the disposition of any income in excess of costs.

5. Recommends contract modification(s) to the Procuring Contracting Officer (PCO) for enhancements as well as chairing studies to improve services.

(3) Property Administrator

(a) The property administrator(s) for this contract will be designated after contract award and be confirmed in writing by the Contracting Officer.

(b) Performance of Contract Property will be in accordance with DoD 4161.2-M, "DoD Manual for the Performance of Contract Property Administration."

(c) The property administrator will be responsible for administering the contract requirements and obligations relating to government property.

(d) The property administrators shall assist in:

1. Monitoring the "acquisitions" of government property.

2. Accounting for government property.

3. Disposing of excess or obsolete property via the Defense Reutilization Marketing Organization.

(e) The designated property administrator shall ensure that all maintenance, repair, rehabilitation, and alternation of real property projects, and minor construction projects, are in accordance with applicable DoD Directives and Instructions.

(4) Secretaries of the Military Departments and Commanders of the Combatant Commands.

(a) The secretaries of the military departments, or designees, are responsible for funding, monitoring, and coordinating the operations of the OMBP applicable to that Department.

(b) The commanders of the combatant commands, the services, and the commanders of local installations or communities are responsible for monitoring and coordinating the operations of that portion of the OMBP within their respective command area.

(c) At their respective levels, service secretaries and the commanders of the combatant commands, the services, and the local installations or communities exercise their responsibility by:

1. Reviewing and resolving or otherwise acting on complaints regarding banking services and operations; as well as performing periodic customer surveys to determine satisfaction with the banking services and operations.

2. Providing deficiency reports, if applicable, to the COR, through command in accordance with Section E.

3. Performing, at the request of the COR, such additional reviews, inspections, or monitoring of banking services as considered necessary to assure the technical requirements of the contract are being met.

4. Suggesting and requesting improvements and enhancements to the OMBP.

5. Performing OMBP surveys and/or studies which are either self-initiated or requested by the COR.

6. Ensuring that logistical support is provided in a timely manner to the OMBP for facilities under the terms and conditions identified in this contract.

(d) The local installation or community commander is responsible for on-site inspections of MBFs and deficiency reporting as identified in Section E.

(e) The secretaries of the military departments, or designees, are responsible for requesting changes to products and services to the COR.

(5) Defense Contract Audit Agency

(a) The Defense Contract Audit Agency (DCAA) office will be designated after contract award and be confirmed in writing by the Contracting Officer.

(b) The DCAA is responsible for:

1. Providing all contract audit support required by the Contracting Officer. This includes auditing Contractor proposals, final overhead audits, closeout audits, and defective pricing audits.

2. Receiving vouchers from contractors.

3. Approving interim vouchers for provisional payment (this includes approving the fee portion of vouchers in accordance with the contract schedule and administrative contracting officer instructions) and sending them to the disbursing office (reference Defense Federal Acquisition Regulation Supplement (DFARS) 242.803(b)). Approval process includes DCAA review of periodic contractor reports and documentation including the monthly reports.

4. Authorizing direct submission of interim vouchers for provisional payment to the disbursing office for Contractor with approved billing systems.

5. Reviewing completion/final vouchers and sending them to the administrative contracting officer; and

6. Issuing DCAA Form 1, Notice of Contract Costs Suspended and/or Disapproved, to deduct costs where allowability is questionable.

(6) DFAS - Payment Office

(a) Making involuntary collections of bad debts incurred by authorized banking customers that are either DoD military personnel or employees of the U.S. Government in accordance with Volume 5 of the DoD Financial Management Regulation, (DoD-7000.14-R).

(b) Paying public vouchers submitted by the Contractor.

(7) Defense Contract Management Command (DCMC)

The DCMC will be delegated certain contract administration functions in accordance with FAR 42.302 as mutually agreed to in an interagency agreement. Delegated contract administration functions and the involved Defense Contract Management Area Operations (DCMAO) involved is

TO BE PROVIDED AT CONTRACT AWARD

(8) Contractor

The Contractor shall operate the DoD OMBP utilizing effective commercial banking business practices and expertise. The Contractor will rely solely on direction from the Contracting Officer or the COR operating within the strict limits of responsibilities as set forth in the COR's letter of appointment. Failure to do so will result in the Contractor operating at its own risk and expense, as such actions do not bind the government contractually.

G-2. INCOME FROM "NET INVESTABLE BALANCES" AND OTHER SOURCES

a. As used herein, the term "net investable balances" includes net deposits in the program available for investment by the Contractor or the DoD, exclusive of:

(1) Amounts received from customers for certificates of deposits.

(2) Collateralized amounts.

(3) Amounts loaned to authorized customers.

(4) Compensating balances at correspondent banks.

b. Within parameters established by the COR, net investable balances shall be invested in:

(1) Federal funds (overnight) placements.

(2) Government or U.S. Government backed investments or securities.

(3) Any instance where the government does not require non-U.S. currencies to be invested in U.S. Government or U.S. backed investments or securities, all such earnings associated with such non-U.S. currencies shall accrue to the net investable balance.

c. The COR reserves the right to direct the Contractor to channel net investable balances in accordance with requirements of the DoD, any approved change will be confirmed in writing by the Contracting Officer. All risks associated with such deposits or funds so directed under this provision shall be borne by the DoD.

d. Unless otherwise directed by the COR:

(1) All income from banking operations and services

(a) accruing from allowable charges discussed in Section C,

(b) derived in accordance with the provisions of paragraphs b and c above, and

(c) any other income accruing as a result of this contract shall be returned to the net investable balance and applied to allowable costs of the contract exclusive of bad debt expenses and fees. Net operating income may be carried forward and used to offset costs of contract performance in subsequent years.

(2) Income shall be credited against allowable costs on a monthly basis.

e. When required by the COR, the Contractor shall return to the net investable balance all such costs as may be suspended and/or disapproved by the DCAA, through the issuance of a DCAA Form 1, Notice of Costs Suspended and/or Disapproved under Cost Reimbursement Contracts. Applicable within 2 business days of the Contractor's date of receipt of the DCAA Form 1 notice (issued by DCAA pursuant to the authority of DoD Directive 5105.36, as implemented by the FAR and the DoD FAR Supplement), the Contractor shall:

(1) Return costs suspended and/or disapproved by DCAA Form 1 to the net investable balance, and when such costs have

been determined by the Contracting Officer, final decision to be unallowable.

(2) Formally notify the Contracting Officer that costs suspended and/or disapproved by the DCAA Form 1 have been returned to the net investable balance. The Contracting Officer retains the right to determine the final allowable and/or unallowable costs to be returned. If such costs were determined by a Contracting Officer, final decision to be unallowable.

f. Net income shall not arise under the contract unless the total income accruing under all line items for the contract exceeds allowable costs (excluding bad debt expenses, fees, and purchases of items costing \$100,000 or more, or otherwise authorized by the COR, that are funded by DoD procurement appropriations) for the total of all line items under the contract.

g. The Contractor shall manage the net investable balance in such a manner so as to ensure that sufficient cash is available on hand to meet the cash needs of daily operations at all times. Except when the COR specifically directs the investment of the net investable balance, in accordance with paragraph c or in extraordinary circumstances as may be determined by the COR, costs associated with ensuring the availability of adequate cash resources for operations shall not be an allowable cost.

G-3. ACCOUNTING AND APPROPRIATION DATA

TO BE PROVIDED AT CONTRACT AWARD

G-4. VOUCHERS

a. Allowable costs, exclusive of bad debt expenses and fixed fees, in excess of income shall be paid from the net investable balance.

b. The Contractor may submit expense vouchers for operating costs only when the total allowable operating costs for the contract exceeds total income for the contract, or when otherwise directed by the Contracting Officer.

c. When total income for the contract exceeds total allowable operating costs, the Contractor shall submit a credit voucher only when directed by the Contracting Officer.

d. Nothing in paragraphs a through c shall otherwise limit the Contractor's rights under "Allowable Cost and Payment (APR 1984)," FAR 52.216-07, and "Fixed Fee (APR 1984)," FAR 52.216-8, clauses of the contract.

e. Subject to the withholding provisions of the "fixed fee" clause, the Contractor shall be entitled to payment of a fixed fee in equal monthly installments, and may submit a voucher for such payments each month. The applicable accounting line must be typed on the vouchers along with the Contracting Office name and title.

f. Debt expenses are not considered to be operating costs for the purposes of paragraphs a through c, and vouchers for debt collection should be submitted monthly. The applicable accounting and apportions line must be typed on the voucher.

g. DoD procurement appropriations are not considered to be operating funds for the purposes of paragraphs a through c. Accordingly, such costs shall be separately identified on the voucher. Such vouchers shall be submitted monthly and must be submitted no later than the end of the fiscal year (September 30) in which the funds expire.

h. Vouchers shall be prepared and submitted in accordance with the provisions of Section G.

i. The Prompt Payment Act applies to fixed-fee vouchers, and interest is payable to the Contractor for late payments.

G-5. PAYMENT

a. All vouchers for the reimbursement of expenses, bad debts, and fees identified by contract number, along with necessary supporting statements, shall be submitted for review and provisional approval to the DCAA Branch Office listed below:

TO BE PROVIDED AT CONTRACT AWARD.

b. After review and approval of vouchers by DCAA, all vouchers shall be forwarded to the Contracting Officer prior to being submitted to the payment office.

G-6. REMITTANCE ADDRESS

a. All payments shall be made to the Contractor's address listed below:

TO BE COMPLETED BY OFFEROR.

b. The Contractor is authorized to receive payments via EFT in accordance with FAR 52.232-34, Optional Information for Electronic Funds Transfer Payment (AUG 1996).

G-7. PAYMENT OFFICE

The payment office for payments under this contract is:

TO BE PROVIDED AT CONTRACT AWARD.

G-8. DISTRIBUTION OF PAYMENT VOUCHERS

a. In addition to the normal distribution of payment vouchers, the DO shall forward one copy to the address shown below:

DFAS Columbus Center
Attn: DFAS-HQ/ASO (Ms. Cheryl Marquez)
3990 East Broad Street, Building 21
Columbus, OH 43213-1152

b. A copy of all vouchers (without supporting statements required by paragraph a of the PAYMENTS clause) shall also be forwarded to the applicable military department that is being charged for an amount on the voucher. Copies should be forwarded to:

USAFINCOM Army Banking Officer
Attn: Banking Liaison Officer
USA Finance Command
109 Army Pentagon, Room 3E575
Washington, DC 20310-0109

SAF/FMPB Room 4C239
1130 Airforce, Pentagon
Attn: Banking Liaison Officer
Washington, DC 20330-1130

Office of the Assistant Secretary of the Navy
Financial Management and Comptroller
Attn: Banking Liaison Officer
1000 Navy, Pentagon Room 4E768
Washington, DC 20350-1000

G-9. ADDITIONAL VOUCHERING/BILLING PROCEDURES

a. In addition to any other provisions of this contract, the Contractor shall prepare and submit vouchers/billings in accordance with the clauses below.

b. Notwithstanding the provisions of the following clauses for the submission of separate schedules for various costs, the Contractor shall include such schedules on combined vouchers/bills, for the same military department provided that each such voucher/bill clearly and separately identifies amounts for each of the items addressed in the clauses below.

G-10. OPERATING COSTS OF INDIVIDUAL MBFs

Separate schedules for the cost of operating MBFs shall be submitted for each military department.

G-11. PROCUREMENT ITEMS COSTING \$50,000 OR MORE

a. Separate schedules for items funded from the military department's procurement appropriations (items costing \$50,000 or more) shall be submitted for each military department.

b. Schedules for items funded from the military department's procurement appropriations shall identify the item(s) purchased.

c. Where approved by the Contracting Officer, items valued at less than \$50,000 may be submitted against military department procurement appropriations.

G-12. CONTRACTOR FEES AND PAYMENT

a. The Contractor shall submit all fee vouchers to the DCAA office to be designated at award of contract.

b. Each fee voucher/bill shall provide required data regarding the amount of, and entitlement to, the fee.

Additionally, the amount of the fee shall be allocated to each military department.

G-13. FORWARDING DEBTS FOR COLLECTION

a. If a debt is not satisfied by a specified date, the Contractor will send the original debt to DFAS for action. On a monthly basis, a transmittal letter will accompany all debt files to the designated DFAS collection point as stated below:

(1) Military Members: The Contractor shall send a transmittal letter containing the debt file to each military component's DFAS servicing center for processing, as follows:

Air Force:	DFAS-DE/FYDE 6760 E. Irvington Place Denver, CO 80279-8000
Navy:	DFAS-CL/FMA 1240 East North Street Cleveland, OH 44199-2055
Army:	DFAS-IN/FJFCA 8899 East 56 th Street Indianapolis, IN 46249-0100
Marines:	DFAS-KCTPS 1500 East Banister Road Kansas City, MO 64197-0001

All debts of a military member, or their dependent, shall be billed to the military department sponsoring the military member regardless of the military department that hosts the installation of the MBF at which the debt was incurred. The debt liquidated voucher shall be forwarded through the COR.

(2) All Other Authorized Customers: The Contractor shall send a transmittal letter containing the debt file to the following address:

DFAS-CL/ (To Be Determined)
1240 East North Street
Cleveland, OH 44199-2055

All debts of DoD civilian employees, or their dependents, and other authorized customers shall be billed to the military department that hosts the installation of the MBF at which the debt was incurred. The debt liquidation voucher shall be forwarded through the COR.

(3) All debt vouchers will contain a listing of the debtor's name, social security account number, rank/grade, military component, and reason for debt. The voucher shall be forwarded in accordance with G-8.

(4) All debt files shall contain the information as stated in C-10-1 and military appropriations as listed below:

(a) Army: 21*2020 22-8536 P436099 S12121 MA3236

(b) Air Force: 57*3400 309 4365 450959 02592

(c) Navy: 17*1804 11C0 000 000119 68892 2D POVBKG
0001180VBKGQ N00000000000 8522

(d) Marines: 17*1804 11C0 000 000119 68892 2D
PBKGOC 000119BKGOKQ N0001199MPBKG00

(Note: * equals the fiscal year)

G-14. DELEGATION OF AUTHORITY FOR CONTRACT ADMINISTRATION

The following contracting administration offices are hereby designated as the authorized representative of the Contracting Officer for the purpose of administering this contract in accordance with current directives:

DFAS Columbus Center
Attn: DFAS-HQ/ASO (Ms. Cheryl Marquez)
3990 East Broad Street, Building 21
Columbus, OH 43213-1152

ADDITIONAL DCMC ASSISTANCE
TO BE COMPLETED AT CONTRACT AWARD

G-15. COST ACCOUNTING STANDARDS ADMINISTRATION ONLY (DFAS G5) (JAN 1994)

Responsibility for the administration of cost accounting standards only is assigned to DCMAO:

TO BE COMPLETED AFTER CONTRACT AWARD.

The DCMAO has cognizance over the cost accounting standards provisions contained herein.

G-16. PAYMENT OF FIXED FEE (DFAS G13 ALTERNATE I) (APR 1997)

a. The fixed fee for work to be performed under this contract is * .

b. The government shall make monthly payments in the amounts shown in the table below. Payment of fee may be withheld in accordance with paragraph (b) of FAR 52.216-8 *Fixed Fee* by written notice from the Contracting Officer.

<u>Lot</u>	<u>Monthly Payment Amount</u>
Lot I	*
Lot II	*
Lot III	*
Lot IV	*
Lot V	*
Lot VI	*
Lot VII	*
Lot VIII	*
Lot IX	*
Lot X	*
Lot XI	*
Lot XII	*

* To be completed at award.

END OF SECTION G

SECTION H

SPECIAL CONTRACT REQUIREMENTS

H-1. PROCEDURES FOR COLLECTION OF MILITARY BANKING FACILITIES BAD DEBTS

The Contractor shall implement such procedures as may be required or relative to the collection of defaulted loans, bad checks, overdrafts, and other indebtedness incurred by authorized customers of MBFs (see Sections C-10 and G-13).

H-2. KEY PERSONNEL

a. A "key position" is defined as a division vice president, region or country vice president, a district manager, the responsible person(s) of a separate operation center, and any other position designated as "key" by the Contracting Officer.

b. The resumes of identified key personnel shall be submitted with the Contractor's proposal and any changes in key positions during the contracts period of performance. Resumes for additional key personnel agreed upon during contract negotiations shall be provided during those negotiations. Biographical summaries are acceptable provided they contain sufficient information.

c. Key personnel are as identified in Section J-6.

H-3. INCORPORATION OF CERTIFICATIONS

Section K, "Representations, Certifications and Other Statements of Offerors," Section L, "Instructions, Conditions, and Notices to Offerors," and Section M, "Evaluation Factors for Award," are hereby incorporated by reference with the same force and effect as if stated in full text.

H-4. PRIVACY ACT

MBFs operating on U.S. military installations overseas do not fall within the purview of the Privacy Act. DoD guidelines, with regard to the release of information to such facilities, will be found in DoD Directive 5400.11, "Department of Defense Privacy Program" and in Enclosure 3 to DoD Directive 1000.11, "Financial Institutions on DoD Installations."

H-5. RIGHT TO FINANCIAL PRIVACY ACT

The provisions of the "Right to Financial Privacy Act" do not govern the access to financial records maintained by overseas military banking contractors. DoD policy regarding access is found in Enclosure 15 to DoD Directive 5400.12, "Obtaining Information from Financial Institutions."

H-6. INSURANCE SCHEDULE

a. The Contractor shall maintain the types of insurance and coverage listed below:

TYPE OF INSURANCE	MINIMUM AMOUNT
Workmen's Compensation and occupational disease.	As required by State law.
Employer's Liability, including all occupational disease when not covered in Workmen's Compensation above.	\$100,000 per occurrence.
General Liability (Comprehensive)	
- Bodily Injury per person	\$200,000
- Bodily Injury per occurrence	\$500,000
- Property Damage per accident	\$ 20,000

b. Insurance coverage must be in compliance with FAR 28.307 entitled Insurance under Cost Reimbursement Contracts, FAR 28.308 entitled Self Insurance, FAR 31.205-19 entitled Insurance and Indemnification, Cost Accounting Standard 416, and other applicable regulations.

H-7. DEPOSIT INSURANCE

a. With respect to coverage for deposits under this Program, the Contractor shall provide a copy of its FDIC Certificate to the COR.

b. Unless specifically exempted by the Contracting Officer, all deposits must be insured by FDIC.

c. Amounts exempted from insurance in accordance with the provisions of paragraph H-7 above, shall be collateralized.

H-8. OTHER INSURANCE COVERAGE

a. The Contractor shall maintain those types of insurance and coverage common to the banking industry.

b. Banking insurance and coverage is identified as follows and is considered by the COR and Contracting Officer as adequate and approved:

Banker Blanket Bond	\$ 150,000
Bankers Professional Liability	\$ 55,000
Excess Liability (umbrella)	\$ 200,000
General Liability (nonadmitted)	\$2,000,000 per occurrence; \$3,000,000 aggregate
Auto Liability	\$2,000,000 per occurrence; \$3,000,000 aggregate
Travel Accident	\$10,000,000 aggregate per occurrence for air travel.
Workers Compensation	\$1,000,000 DBA and employees liability.

c. Changes in insurance types and coverage may be approved by the Contracting Office provided such changes are within budget and agreed to by the COR.

d. The Defense Base Act insurance requirements are specified in FAR 52.228-03 - Workers Compensation Insurance (Defense Base Act) and FAR 52.228-04 - Workers Compensation and War-Hazard Insurance Overseas. The former is applicable to those employees covered by the Act and the latter covers those employees for whom the Act's coverage has been waived by the Secretary of Labor.

e. Except as may be otherwise explicitly agreed to in writing by the COR, the proceeds from all settlements of insurance coverage maintained in accordance with the contract shall be immediately credited to the contract.

f. The Contractor shall not be responsible for obtaining insurance for facilities and equipment owned by the U.S. Government; accordingly, insurance premiums on such items shall not be an allowable cost.

H-9. TAXES

Any tax or duty that the U.S. Government is exempt by agreement with the governments of, or that the Contractor or any subcontractor hereunder is exempt under the laws of, the British Indian Ocean Territories (Diego Garcia), Federal Republic of Germany, Japan, Republic of Korea, Iceland, the Netherlands, Cuba, Honduras, and the United Kingdom shall not constitute an allowable cost under this contract.

H-10. PENSION COSTS

a. In accordance with FAR 31.001 and 31.205-6(j), the Contractor may establish an unfunded pension plan. Unfunded pension costs computed in accordance with Cost Accounting Standards (CAS) 412 and 413 shall be allowable under the contract. The parties agree that an unfunded pension plan is expected to result in reduced costs to the government. Therefore, for purposes of CAS, the government determines that no material cost impact results from this practice. No contract adjustments shall be made under CAS and no credits, refunds, or recoupment shall be sought by reason of, or relating to, the establishment of an unfunded pension plan.

b. The government was not aware of any unfunded pension plans involved with this contract at time of award. Therefore, if the current Contractor becomes responsible for making payments to an unfunded pension plan discovered after contract award, such payments shall be an allowable cost to the contract.

H-11. CONFORMITY TO LAWS AND REGULATIONS

a. The Contractor shall be responsible for ensuring that individuals employed to perform, or otherwise performing, functions under this contract comply with applicable laws and regulations of the country in which they are employed or performing. In addition, the Contractor shall be responsible for ensuring that the Contractor's employees comply with military rules and regulations of the U.S. Forces when employed in areas under the jurisdiction of a Unified Command.

b. If one of the Contractor's expatriate employees is barred from continuing performance under the contract for failure to comply with laws, rules, and regulations described in the foregoing paragraph, any costs incurred by the Contractor as a result of removing the employee or substituting a replacement employee, shall not be an allowable cost under the contract. The disallowed costs include relocation costs incurred by the Contractor to furnish a substitute employee for the overseas assignment. However, if the Contractor is obliged in accordance

with FAR 31.205-35(d), or under the terms of the contract, to refund or to credit, to the government, the relocation costs originally incurred to furnish the removed employee for the overseas assignment, such refunds or credits shall be allowable, and shall be made, in accordance with the provisions of FAR 31.205-35(d) or the terms of the contract.

c. The cost for removing or replacing an expatriate employee employed by the previous overseas military banking Contractor shall also be considered allowable under this clause.

H-12. LOCAL LAW

Compliance by the Contractor with local laws of foreign jurisdictions shall not be deemed to generate unallowable costs (unless otherwise prohibited or limited by U.S. statute), cause CAS noncompliance, or otherwise violate the terms of the contract. The foregoing shall not be applicable if such compliance with local law is exempted by the provisions of an applicable SOFA, treaty, or other relevant bilateral agreement, and such exemption has been adjudicated by the host country or determined by diplomatic agreement between the U.S. and host-country governments.

H-13. LARGE CURRENCY TRANSACTION REPORTING (LCT)

The Bank Secrecy Act and its implementing financial reporting and record keeping regulations contained in Title 31, Part 103, Code of Federal Regulations et. seq. do not apply outside the U.S. and, therefore, are not applicable to the (MBFs) operated by the Contractor. Nonetheless, to ensure that the MBFs operating on military installations overseas are not exploited through money laundering schemes or other potentially unlawful activities, the Contractor shall comply with the spirit of the Act to the following extent:

(1) The Contractor shall establish "know your customer" standards within its account opening procedures and require presentment of a military identification card or similar official identifying document to record the identity of the individual or the authority of the representative of a NAFI or other organization seeking to establish an account relationship with the MBF.

(2) The Contractor shall report, for both individual and organizational customers, suspicious cash transactions that appear to involve money laundering, structuring transactions for

the purpose of evading the currency reporting requirements, or other potentially unlawful activities.

(a) Such reports shall be prepared in accordance with the guidelines set forth in the Office of the Comptroller of the Currency Banking Circular No. 193 (May 16, 1988) and any amendments thereto.

(b) The Contractor shall instruct employees that customers should not be warned if information relating to the transaction is being reported to cognizant authorities of the U.S. and, when required by either local law and/or by the applicable SOFA, to cognizant authorities of the host nation.

(c) The Contractor shall retain, for a period of not less than 5 years, records of reportable transactions that will enable the Contractor to respond in a timely manner to requests from cognizant authorities. Such records, including official identification documents, must be sufficient to permit reconstruction of reportable transactions.

(3) The Contractor shall prepare and file large currency transaction reports (IRS Form 4789) for cash transactions by individuals in excess of \$10,000. The identification requirements outlined for individuals opening an account in a above, shall be utilized for accountholders and nonaccountholders making cash purchases of financial instruments (e.g., money orders or travelers checks) in excess of \$10,000 at the MBF.

(4) The Contractor shall develop internal policies, procedures, and controls to assure consistent implementation of this section. Such policies, procedures, and controls shall, at a minimum, include the additional duty designation of compliance coordinators at the management level, establishment of an ongoing employee training program and the implementation of a monitoring function to test the system. Copies of the internal policies, procedures, and controls, as well as revisions thereto, shall be forwarded to the COR and the Contracting Office upon issuance by the Contractor. Changes in the compliance coordinators, status of the employee-training program, results of system tests, and suspicious transaction statistics shall be included in the Monthly Management Report as identified in Section F.

H-14. OPERATING COSTS ASSOCIATED WITH FLUCTUATIONS IN FOREIGN

CURRENCIES

Allowable operating costs under this contract, that are paid in a foreign currency, shall be budgeted by the Contractor using foreign exchange rates developed by the Contractor in consultation with the COR.

H-15. ACCOUNTING FOR SEVERANCE COSTS

Notwithstanding, the determination of allowability in accordance with the FAR and the related DoD supplements or the criteria outlined in Section H, entitled LOCAL LAW, severance costs shall be accrued, in accordance with the Statement of Financial Accounting Standards (SFAS) 5, when an employee has been formally notified of an impending termination action (regardless of whether the action is the result of a voluntary agreement or a unilateral decision by the Contractor) and the amount of severance is known or can be reasonably estimated. Severance costs, which satisfy the criteria for accrual as outlined above, shall be submitted for reimbursement (in accordance with clause G-5, entitled PAYMENT) to the government only when such costs are paid. Until actually paid, monthly billings will identify the current and cumulative amount of the suspended severance accrual.

H-16. CUSTOMER BANK FORMS

a. The Contractor shall use generic forms throughout the OMBP. Excepted are those negotiable items (e.g., client checks) that require institutional identification as part of the clearing process or customer-financial institution contractual relationship documents (e.g., CDs, loan agreements, and notes), and as otherwise negotiated between the Contractor and the COR in a formal letter of agreement. The Contracting Officer will include such agreements in a modification to the contract.

b. The COR may authorize or direct the use of a DoD logo on banking forms, with written modification from the Contracting Officer. The additional costs of including a DoD logo on such material/software programming shall be an allowable cost under the contract.

H-17. VENDOR AGREEMENTS

a. The Contractor shall provide the Contracting Officer a copy of any licensing agreement, subcontract, or vendor agreement for goods or services acquired in excess of \$50,000.

b. The Contractor shall provide the Contracting Officer a copy of any licensing agreements for goods or services acquired, that, when used in conjunction with any other licensing agreement, subcontract, or vendor agreement for goods or services with the same party, the sum total of all such component agreements exceeds \$50,000.

H-18. SOFTWARE LICENSE AGREEMENTS

The Contractor shall provide a copy of all proposed vendor software licensing agreements, which exceed \$50,000 to the Contracting Officer for approval prior to entering into any such agreement.

H-19. RESPONSIBILITY FOR LOGISTICAL SUPPORT

The military departments and subordinate Commands shall ensure that logistical support of the nature addressed in the following paragraphs is provided without cost to the Contractor.

H-20. SPACE AND FACILITIES LOGISTICAL SUPPORT

a. The POC will be designated by the government within 30 days of RFP release:

(1) The OMBP Management Office will ensure adequate office, storage space, and security is provided in government facilities. Unreserved parking will also be provided at no cost to the Contractor.

(2) Size and arrangement of the work space shall permit efficient operations, and the building shall be located to permit adequate security.

(3) Space requirements shall be established in accordance with customary and reasonable banking practice as approved by the COR.

b. Overseas Operations:

(1) Local commands shall ensure the availability of adequate MBF premises, to include counters and cages, steel bars, grillwork, security doors, vaults and/or safes, security alarm systems, and office and storage space.

(2) MBFs shall be housed in buildings that are accessible to the majority of the personnel on an installation. The size and arrangement of the customer area and workspace shall permit efficient operations, and the building shall be located to permit adequate security.

(3) Space requirements of MBFs shall be established in accordance with customary and reasonable banking practices, documented requirements of the DoD, documented requirements of the Contractor's insurance carrier, or as otherwise required or approved in writing by the Contracting Officer.

(4) Office space shall be provided for the MBFs, area, and district administration functions.

(5) Storage space shall be provided for the storage of supplies and the retention of records and files.

(6) If on-base space is withdrawn by an installation, the installation, in consultation with the Contractor, shall provide alternative space. The alternative space may be either on-base or off-base, but must be provided prior to requiring the MBF to withdraw from its existing space. If off-base facilities are required, the installation, in consultation with the Contractor, shall secure an off-site location and provide necessary logistical support and security in accordance with this provision. The installation shall fund applicable costs.

(7) The Contractor should document and advise the COR and the Contracting Officer, via command channels, of any instance in which adequate space or related facilities are not, or cannot, be provided.

(8) Assigned space for a MBF shall not exceed the gross floor areas shown in the following table:

PERSONNEL STRENGTH*

AREA SQUARE FEET

Up to 1,000	1,500
1,001 to 2,000	2,375
2,001 to 3,000	3,250
3,001 to 4,000	3,625
4,001 to 5,000	4,000
5,001 to 6,000	4,374
6,001 to 7,000	4,750
7,001 to 9,000	5,560
9,001 to 11,000	6,375
11,001 to 13,000	7,190
13,001 to 15,000	8,000
15,001 to 17,000	10,000
17,001 to 20,000	13,000
Over 20,000	TBD - Engineering Study

* Includes active duty military personnel, authorized civilian personnel, and sponsored dependents stationed within a commuting area that is not served by another MBF.

(9) Air conditioners and necessary climate control devices for MBF, administrative offices, and computer equipment rooms at installations that qualify for air conditioners and climate control devices under the provisions of applicable DoD component regulations shall be provided by the installation. At installations where equipment is not provided, the Contractor shall request the installation commander to install equipment. If the request is denied, the Contractor is entitled to request equipment from the Contracting Officer in accordance with the provisions regarding government property, or to request authorization to purchase the equipment and the cost for purchase shall be deemed allowable, if approved by the Contracting Officer.

H-21. OPERATIONAL LOGISTICAL SUPPORT

a. Permanent Operations Center:

(1) The government will provide for building maintenance and janitorial services. Administrative support for personnel (identification badges, vehicle licensing for on-base operations, after-hour security building access, etc., and maintenance of government facilities will be provided by the government).

(2) Mail pick up and delivery and interoffice distribution of correspondence between the COR, Contracting Officer, and Contractor will be provided. The Contractor will be

responsible for all internal routing of mail and other related intraoffice correspondence.

b. Overseas Operations:

(1) Local commands shall ensure that utility services are provided in accordance with Service regulations. For purposes of this provision, "utilities" include electricity, heat, water, trash disposal, and sewage.

(2) Local commands shall ensure the provision of custodial and janitorial services. At installations where custodial or janitorial services are not adequately provided by the installation, the Contractor is authorized to subcontract for custodial and janitorial services. Costs shall be allowable under the contract, if approved by the Contracting Officer.

(3) Local commands shall ensure the availability of installation and interstation telephone services where available. Access to the Defense Data Network shall be provided, as approved in writing by the Contracting Officer.

(4) Military guards, military police, civilian guards (when not precluded by status of forces or similar intergovernmental agreements or local law), or other protective services shall be provided by the local command:

(a) For necessary periods of time on paydays.

(b) To accompany shipments of money between MBFs.

(c) At other times as may be required to avoid undue risks or insurance costs on the part of the MBFs.

(5) Military locator services shall be made available to MBFs in accordance with the "Guidelines for Release of Personal Information to Commercial Enterprises" as adopted by the Defense Privacy Board on January 19, 1977, and promulgated in the Federal Register for January 27, 1977, Volume 42, Number 18.

(6) The use of U.S. Military Postal Offices (MPO); APO/FPO for MBFs located on overseas installations as authorized below:

(a) The use of U.S. MPOs shall be limited to postal requirements that emanate from contract operations.

(b) The Contractor shall use the free Intra-Theater Delivery System for routine mail sent and received between APOs/FPOs within a theater. Under the Intra-Theater Delivery System, no postage is required, but items cannot be

insured or registered and no claims can be filed against any individual or organization for lost or damaged correspondence.

(c) All mail requiring special handling or destined for the U.S., another country, or another theater shall bear appropriate postage.

(d) Local nationals employed by the MBFs are authorized access to MPOs to pick up "Registered Mail-Official Bank Business Only" under the following procedures:

1. The general manager of a MBF shall furnish each servicing MPO supervisor a memorandum listing primary and alternate personnel authorized to sign for registered mail. Two copies of DD Form 285 must be prepared, one for the MPO's activity file and the other to be presented when handling registered mail. All correspondence must be sent registered mail.

2. Authorized officials must provide identification signature cards (with photo) of local national employees who are cleared to sign for letters, flats, or parcels.

3. Authorized officials must immediately notify each respective postal supervisor of changes of personnel designated on DD Form 285.

4. Current signature cards will be maintained at the APO/FPO by the postmaster or designated postal official.

5. Military departments will supply and provide transportation for U.S. currency and coins in areas covered by currency custody accounts.

(7) Local commands supporting MBF operations are responsible for warehousing, storage, and on-base transportation of MBF equipment and supplies.

H-22. LOGISTICAL SUPPORT FOR EMPLOYEES OF MBFs

a. U.S. or third-country national personnel assigned to the MBF shall be accorded full individual logistic support; i.e., authorized to use available commissaries, exchanges, and other privileges in consonance with regulations of respective military commands, the SOFA, and host-country law.

b. Assigned staff that is designated as key and essential bank managerial personnel shall be authorized to occupy government quarters on a rental basis as permitted by applicable

DoD Regulations and Instructions. Costs are allowable under the contract. Rental charges shall be made in accordance with applicable DoD Regulations and Instructions. Where suitable government quarters are not available, other arrangements are permitted when supported by government certificates of nonavailability and the Contractor's government approved staff compensation policy.

c. Minor dependents of assigned staff shall be authorized to receive (tuition-paying basis) education provided by the DoDDS, or alternate method recognized by DoDDS. The cost of such education shall be an allowable cost of the contract. DoDDS equivalent tuition cost will be an allowable cost toward comparable education services procured by the contractor.

d. Within the Federal Republic of Germany, Headquarters USAREUR shall:

(1) Determine which of the Contractor's employees or applicants for employment are eligible for the exemptions and benefits of members of the U.S. civilian component under Article 72, paragraph 5, of the "Agreement to Supplement the Agreement between the Parties to the North Atlantic Treaty Regarding the Status of their Forces with Respect to Foreign Forces Stationed in the Federal Republic of Germany;"

(2) Confer those exemptions and benefits; or

(3) Revoke those exemptions and benefits.

H-23. TRAVEL OF CONTRACTOR PERSONNEL

a. Employees of the Contractor may utilize DoD owned and controlled aircraft when traveling to carry out duties and responsibilities under the contract. Travel on such aircraft shall be made available under the provisions of DoD 4515.13-R, and shall be reimbursable at the DoD rate tariff. Travel orders must contain a statement that commercial transportation is neither available, readily obtainable, nor satisfactorily capable of meeting the travel requirements and that the DoD rate tariff applies. Travel orders also must include the name of the Contractor and billing address so that the Contractor can be billed on a direct billing basis.

b. Employees of the Contractor are authorized to use government quarters (visiting officer quarters) when in a travel status to carry out official duties and responsibilities under the contract. Such government quarters shall be provided in consonance with applicable DoD Directive(s), as implemented by

the military departments, and shall be furnished on a reimbursable space-required basis. Establishment of locally determined charges and the disposition of collections shall be in accordance with applicable DoD Instructions.

c. The COR, with written approval from the Contracting Officer, will issue travel procedures to employees of the Contractor when necessary to carry out official duties and responsibilities under the contract.

H-24. TRANSPORTATION OF CONTRACTOR MATERIALS

a. In accordance with DoD Directive 4500.9, the transport of all overseas MBF documents and equipment shall be authorized between CONUS and within all overseas commands. Additionally, the Contractor is authorized to use Air Mobility Command (AMC) aircraft services between Diego Garcia, Korea, Cuba, the Netherlands, Germany, Iceland, Japan (including Okinawa), and the United Kingdom.

b. The transport of MBF equipment within the CONUS shall be authorized when the equipment is:

- (1) destined for an overseas MBF,
- (2) supplied by manufacturers located within the proximity of a military installation with scheduled AMC services, and
- (3) the overseas debarkation points identified by the Contractor are locations services by the Defense Transportation System.

All such movements shall be coordinated with local AMC representatives who will establish necessary shipping instructions and procedures. Billing shall be made at the DoD rate tariff to the Contractor's designated address and represent an allowable charge to the contract when paid.

c. Transportation of equipment from overseas to CONUS is authorized when cost effective to the contract. Shipment of equipment from overseas must be approved by the COR.

H-25. TRANSPORTATION OF HOUSEHOLD GOODS

Contractor personnel shall be authorized to move household goods by Government Bills of Lading provided prior written

approval is obtained from the Contracting Officer. The Contractor shall submit the approval letter to the closest military installation for movement instructions.

H-26. RESPONSIBILITY FOR GOVERNMENT PROPERTY

The Contractor assumes full responsibility for, and shall indemnify the government for any and all loss or damage of, whatsoever kind and nature to any and all government property. This includes any equipment, supplies, accessories, or parts furnished, while in the Contractor's custody or care for use, storage, repairs, or services to be performed under the terms of this contract, resulting in whole or in part from the negligent acts or omissions of the Contractor, Subcontractor, or any employee, agent, or representative of the Contractor or Subcontractor.

H-27. GOVERNMENT PROPERTY

a. For purposes of this contract, "government property" is defined to include:

(1) Government-furnished property.

(2) Contractor-acquired property procured by the Contractor under this, or previous contracts, whether acquired by purchase, lease, rental, transfer, or other means.

(3) Property loaned to MBFs on memorandum receipt.

b. The ACO shall designate property administrators to assist in:

(1) Monitoring the "acquisitions" of government property.

(2) Accounting for government property.

(3) Disposing of excess or obsolete property via the Defense Reutilization Marketing Organization.

c. Within the European Command, the Contractor, in performance hereunder, is authorized to use "Buy U.S. Here" contracts issued by the United States Armed Forces Europe Procurement Center, Germany.

d. The Contractor shall be responsible and accountable for all government property in accordance with Subpart 45.5 of Part

45 of the FAR, "Management of Government Property in Possession of Contractors."

e. The designated property administrator shall ensure all maintenance, repair, rehabilitation, and alteration of real property projects and minor construction projects, are in accordance with applicable DoD Directives and Instructions.

H-28. PURCHASES OF EQUIPMENT

a. Purchases of equipment for MBFs shall be an allowable cost of the contract to the extent approved in the applicable fiscal year budget, or as otherwise approved by the COR.

b. The Contractor shall submit a budget for purchases of equipment and/or software each fiscal year to the COR.

(1) The capital budget shall identify specific items of equipment and/or software to be purchased, their estimated cost, the MBFs or facilities where the equipment is to be installed, as well as provide such additional justification as may be required by the COR.

(2) The budget may, if appropriate, contain an amount for additional unspecified, or contingency, equipment purchases, as determined by the COR.

c. The COR may add to, delete from, or otherwise modify specific items or total amounts approved in the capital budget.

d. Notwithstanding approval of the budget by the COR:

(1) The Contractor shall obtain written confirmation from the Contracting Officer prior to the purchase of approved equipment and/or software, beyond that allowed in the budget, in excess of \$50,000.

(2) In an emergency, or as a result of vandalism, when a delay in the approval of the purchase of equipment is expected to significantly decrement MBF services or result in significant damage to, or loss of government property, the Contractor may make an emergency purchase of equipment, not to exceed \$50,000, without the prior approval of the Contracting Officer. However, in such instances, within 24 hours of the emergency, or discovery of the vandalism, the Contractor shall notify the Contracting Officer of the emergency purchase. Further, the Contractor shall provide the Contracting Officer a written report detailing all the events that contributed to the emergency expenditure of

funds. Such a report shall be provided within 3 business days of the emergency.

e. When approved purchases of authorized office equipment, software or furniture is available from a Defense Business Operating Fund, the Contractor may procure such items for cash, subject to normal departmental procedures.

f. The purchase of mobile banking vans must be authorized by the COR and shall be confirmed in writing by the Contracting Officer. Area commanders may authorize the use of existing mobile banking vans for necessary banking services to remote locations without bank branches. Mobile vans will not be used to augment an installation's MBF without the prior written approval of the COR.

H-29. CONTRACTOR VEHICLES

a. Vehicles purchased by the Contractor for performance under the contract shall be considered "Contractor-owned." The Contractor shall depreciate the purchase price of these vehicles in accordance with FAR 31.205-11 and CAS 409 requirements.

b. Special U.S. forces vehicle registration shall be provided for MBF vehicles. Vehicle registration shall be subject to normal fees, and those fees shall be an allowable cost of the contract.

c. The purchase of fuel for contractor-owned vehicles used in support of MBFs shall be authorized from government stores where this is not in conflict with host-government agreements and shall be an allowable cost to the contract.

H-30. SUPPLIES, SERVICES, AND MAINTENANCE CONTRACTS

a. Necessary and reasonable supplies, services, and maintenance contracts:

(1) Shall be an allowable cost of the contract, when over \$50,000 requires prior approval by the Contracting Officer.

(2) May be provided for, on a reimbursable basis, through existing DoD component contracts.

b. Approved purchases of supplies that are available from a Defense Business Operating Fund may be procured for cash, subject to normal departmental procedures.

c. Maintenance contracts for the routine servicing, emergency maintenance, and/or repair of bank data processing equipment, including ATMs, must be in accordance with FAR Part 45.509.

d. Subject to this provision and the provision at H.30, repairs of equipment not covered by separate maintenance contracts, such as those resulting from vandalism or an emergency, shall be undertaken immediately if the Contractor determines that the failure to do so will significantly decrement basic MBF services or result in significant damage to, or loss of, government property. Costs shall be an allowable cost of the contract.

H-31. MAINTENANCE, REPAIRS, REHABILITATION, AND ALTERATION OF REAL PROPERTY AND MINOR CONSTRUCTION

a. The Contractor shall submit a budget to the COR for the approval of maintenance, repair, rehabilitation, and alteration of real property and minor construction projects for MBFs. Any required major renovations will be approved by the installation commander.

(1) The budget shall identify specific projects for the maintenance, repair, rehabilitation, and alteration of real property, as well as minor construction projects and their estimated costs; the MBFs of other facilities involved and such additional information as may be requested by the COR.

(2) The budget may, if appropriate, contain an amount for additional unspecified or contingency projects, as determined by the COR.

b. The cost of maintenance, repair, rehabilitation, and alteration of real property and minor construction projects for MBF locations shall be an allowable cost of the contract to the extent approved in the applicable fiscal year budget, if approved by the COR.

c. The COR may add to, delete from, or otherwise modify specific items or total amounts approved in the capital budget.

d. Notwithstanding approval of the budget by the COR:

(1) The Contractor shall obtain approval from the designated property administrator prior to contracting for

maintenance, repair, rehabilitation, or alteration of real property or minor construction projects.

(2) The Contractor shall notify the Contracting Officer for prior approval for specific projects for maintenance, repair, rehabilitation, or alteration of real property or minor construction projects of \$50,000 or more.

(3) In an emergency, when a delay in the approval of a project for the maintenance or repair of real property is expected to significantly decrement MBF services or result in significant damage to, or loss of, government property, the Contractor may commence emergency maintenance or repair projects, not to exceed \$50,000 without the prior approval of the Contracting Officer. However, in such instances, within 24 hours of the emergency, the Contractor shall notify the Contracting Officer of the need for the emergency project. Further, the Contractor shall provide the Contracting Officer a written report detailing all the events that contributed to the emergency expenditure of funds. Such a report shall be provided within 3 business days of the emergency.

(4) Rehabilitation, alteration, or construction projects that, in conjunction with any other rehabilitation, alteration, or construction project involving the same MBF, or the building that houses a MBF, shall not be an allowable cost of the contract if the total of all such projects costs \$50,000 or more. For purposes of this provision, the term MBF also includes facilities used for administration, storage, or any other purpose in direct support of the OMBP. When properly justified, the COR can waive this limitation.

(5) Burden sharing agreements or arrangements with host countries may permit certain rehabilitation, alteration, or construction projects that are to be funded or reimbursed by the host country must be approved by the COR prior to the commencement of any project under such burden sharing agreements or arrangements.

e. Each DoD component will be responsible for funding its own projects and consistent with Section G, the Contractor shall bill the costs of such projects to each DoD component.

H-32. TERMINATION, CANCELLATION, OR CLOSEOUT COSTS

a. Such costs as are incident to the transfer or close-out of operations at the end of contract performance, upon

cancellation, or upon full or partial termination by the government, as may be directed by the Contracting Officer shall be treated as a termination under FAR 52.249-06 and FAR 31.205-42. Notwithstanding the "Limitation of Cost" clause, "Limitation of Funds" clause, or any other contract provisions, costs associated with contract termination, cancellation, and/or closeout shall be reimbursed to the contractor without regard to any funding limitations, cost limitations or any other limitations otherwise imposed by this contract; provided, however, that nothing herein shall be deemed to create an obligation of the U.S. Government in advance of legally authorized and appropriated amounts.

b. The disposition of banking assets and liabilities shall be in accordance with the requirements of the contract or as otherwise directed in writing by the Contracting Officer. In accordance with parts (c)(6), (8), and (9) of FAR 52.249-06, banking assets (including loans extended to MBF clients) shall be transferred or sold, as directed in writing by the Contracting Officer, without recourse to, or representation or warranty by, the Contractor.

H-33. ALLOWABILITY OF TRAVEL, SUBSISTENCE, AND CUSTOMER INFORMATION COSTS

It is understood and agreed that, subject to "Limitation of Funds/Cost" and "Allowable Cost and Payment" and "Fixed Fee" clauses of the contract, the following shall be considered an allowable cost under the contract when incurred or paid by the Contractor and when necessary and required for the performance of the contract; provided that the article does not preclude the allowance of other costs allowable under FAR Part 31 entitled "Contract Cost Principles and Procedures."

(1) Travel and Substance:

Reasonable subsistence and travel shall be allowed in accordance with government-approved policy for transportation of personnel employed in the performance of this contract; provided that such travel is necessary for the performance of this contract and that transportation expenses by motor vehicle other than common carrier or rented automobile shall be reimbursed in accordance with Joint Travel Regulation guidelines.

(2) Customer information:

Recognizing that it is in the interest of the government and the Contractor to have customers and prospective

customers informed about the services provided hereunder, the parties agree that the Contractor may undertake various programs to inform customers and prospective customers of the availability of banking services, and the terms and conditions thereof. Therefore, subject to the approval of the Contracting Officer, reasonable costs incurred in connection with such programs, as are consistent with practices of commercial financial institutions, may be allowable costs under this contract.

H-34. BID AND PROPOSAL COSTS

Notwithstanding provisions of FAR 31.205-18, "Independent Research and Development and Bid and Proposal Costs," the Contractor, incumbent at such time as a RFP for a successor competitively awarded contract may be advertised, must separately identify all costs associated with proposal preparation. Costs associated with the aforementioned proposal preparation are considered unallowable costs and shall be excluded from any billing for MBF products, services, or operations.

H-35. GSA AUTHORITY

The Contracting Officer has determined that authority to utilize Federal Supply Schedules (FSS) and government rates in the performance of the OMBP is granted as follows:

(1) The Contractor/subcontractor or consultant shall be authorized to use the rates under FSS and/or government rates for all supplies and services purchased solely for the performance of the contract in support of the OMBP.

(2) The Contractor/subcontractor or consultant shall adhere to all terms and conditions of each schedule utilized for the purchase of supplies and services including but not limited to type of items authorized for procurement under the schedules, the minimum and maximum delivery order limitations, and all discount and delivery terms.

(3) The Contractor/subcontractor or consultant shall be the only authorized user of these schedule rates and/or government rates as the Contracting Officer's granted authority shall NOT be transferable or assignable.

(4) The government shall retain title to all property that is procured via this authority.

(5) The Contractor/subcontractor or consultant shall attach a copy of this statement to all orders placed under FSS

and/or present this clause to all companies offering services at FSS and/or government rates (such as airlines, motels, auto rentals, supplies, services, and equipment).

(6) This authority shall be granted for the period from contract award, October 1, 2000, through September 30, 2005, and any contractual extensions.

H-36. RENEGOTIATION

Notwithstanding that Contractor revenues and expenses are maintained using "cash basis of accounting," and in the event post award audits determine cost and pricing data previously submitted for purposes of negotiating, the contract Cost-Plus-Fixed-Fee (CPFF) expense are found to be inaccurate or incomplete or nonconcurrent as the date of final agreement on price given on the Contractors certificate of current cost or pricing data, the government is entitled to a price adjustment, including profit or fee for any significant amount by which the price was increased or decreased because of the defective data. This entitlement is provided in accordance with the clause at FAR 15.804-8 and FAR 52.215-22.

H-37. COMPENSATION CEILING

Notwithstanding the fiscal year 2001 funding limitation provision contained in DFARS 231.205-6(a)(2), Compensation for Personal Services, cost for individual compensation in excess of \$250,000 per year is unallowable during the entire period of the performance of this contract.

H-38. INVESTABLE BALANCE AWARD FEE

The government reserves the right to establish an investable balance award fee based on acceptance of an offeror's investment strategy proposal and annual investment performance.

H-39. AWARD AMOUNT

NOTE: The government may determine that it is not in the Government and Contractor's best interest to issue a Cost-Plus-Award-Fee (CPAF) task order. If a CPAF task order is

to be issued, the contractual language below may be altered in bilateral negotiations with the awardee.

This indefinite quantity/CPFF contract may result in task orders issued, which would be CPAF. The award fee is to encourage and reward the Contractor for high quality, innovative, and cost conscious performance in fulfilling the requirements set forth in the task order and to promote effective communications and customer service. The use of the award amount permits the government to focus on overall operational and cost performance and to emphasize those aspects of critical milestone achievements essential to reach performance objectives.

The Contractor may submit a self-evaluation of performance for each evaluation period under consideration. These self-evaluations will be considered by the government in its evaluation. The government's Program Management Office will establish milestone achievements and determine the award amount based on the Contractor's performance (to be determined in a bilaterally negotiated modification to the contract). The plan may be revised unilaterally by the government prior to the beginning of any rating period to redirect emphasis.

The government will advise the Contractor in writing of the evaluation results. The Contracting Officer will issue a unilateral modification to the contract that will recognize the award amount earned. Award amount which is not earned in an evaluation period cannot be reallocated to future evaluation periods.

The Contractor and government will negotiate a bilateral modification to establish the award fee performance period, including option periods exercised pursuant to Section B.

H-40. FIRM-FIXED-PRICE DELIVERY/TASK ORDER

The government reserves the right to issue firm-fixed-price (FFP) delivery/task orders as negotiated between the Contractor and the government.

END OF SECTION H

SECTION I

CONTRACT CLAUSES

I-1. 52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this address: <http://farsite.hill.af.mil/>

(End of clause)

- I-2. 52.202-1 DEFINITIONS (OCT 1995)**
(Reference 2.201)

- I-3. 52.203-3 GRATUITIES (APR 1984)**
(Reference 3.202)

- I-4. 52.203-5 COVENANT AGAINST CONTINGENT FEES**
(APR 1984) (Reference 3.404)

- I-5. 52.203-6 RESTRICTIONS ON SUBCONTRACTOR SALES TO THE**
GOVERNMENT (JUL 1995)
(Reference 3.503-2)

- I-6. 52.203-7 ANTI-KICKBACK PROCEDURES (JUL 1995)**
(Reference 3.502-3)

- I-7. 52.203-8 CANCELLATION, RESCISSION, AND RECOVERY OF**
FUNDS FOR ILLEGAL OR IMPROPER ACTIVITY
(JAN 1997) (Reference 3.104-9(a))

- I-8. 52.203-10 PRICE OR FEE ADJUSTMENT FOR ILLEGAL OR**
IMPROPER ACTIVITY (JAN 1997)
(Reference 3.104-9(b))

- I-9. 52.203-11 CERTIFICATION AND DISCLOSURE REGARDING**
PAYMENT TO INFLUENCE CERTAIN FEDERAL
TRANSACTIONS (APR 1991)
(Reference 3.808(a))

I-10.	52.203-12	LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS (JUN 1997) (Reference 3.808 (b))
I-11.	52.204-2	SECURITY REQUIREMENTS (AUG 1996) (Reference 4.404(a))
I-12.	52.204-4	PRINTING AND COPYING DOUBLE-SIDED ON RECYCLED PAPER (JUN 1996) (Reference 4.304)
I-13.	52.209-6	PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT (JUL 1995) (Reference 9-409(b))
I-14.	52.211-15	DEFENSE PRIORITY AND ALLOCATION REQUIREMENTS (SEP 1990) (Reference 11.604(b))
I-15.	52.215-2	AUDIT AND RECORDS-NEGOTIATION (AUG 1996) (Reference 15.209(b))
I-16.	52.215-8	ORDER OF PRECEDENCE - UNIFORM CONTRACT FORMAT (OCT 1997) (Reference 15.209(h))
I-17.	52.215-10	PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA (OCT 1997) (Reference 15.408(b))
I-18.	52.215-12	SUBCONTRACTOR COST OR PRICING DATA (OCT 1997) (Reference 15.408(d))
I-19.	52.215-15	PENSION ADJUSTMENTS AND ASSET REVERSIONS (DEC 1998) (Reference 15.408(g))
I-20.	52.215-18	REVERSION OR ADJUSTMENT OF PLANS FOR

**POST-RETIREMENT BENEFITS OTHER THAN
PENSIONS (PRB) (OCT 1997)**
(Reference 15.408(j))

I-21. 52.216-7 ALLOWABLE COST AND PAYMENT (APR 1998)
(Reference 16.307(a))

I-22. 52.216-8 FIXED FEE (MAR 1997)
(Reference 16.307(b))

I-23. 52.216-10 INCENTIVE FEE (MAR 1997)
(Reference 16.307(d))

I-24. 52.216-18 ORDERING (OCT 1995)
(Reference 16.506(a))

Fill-ins: (a)...may be issued from__through__(To be filled in at
time of award.)

I-25. 52.216-19 ORDERING LIMITATIONS (OCT 1995)
(Reference 16.506(b))

Fill-ins: (a)...an amount of less than__ (b)(1)...in excess of
___. (b)(2)...in excess
of__(b)(3)...within__days...(To be filled
in at time of award.)

I-26. 52.216-22 INDEFINITE QUANTITY (OCT 1995)
(Reference 16.506(e))

Fill-in: (d)...performance under this contract after 90 days
after expiration of the contract.

**I-27. 52.217-2 CANCELLATION UNDER MULTIYEAR CONTRACTS
(OCT 1997)** (Reference 17.109(a))

**I-28. 52.217-8 OPTION TO EXTEND SERVICES
(AUG 1989)** (Reference 17.208(f))

I-29. 52.217-9 OPTION TO EXTEND THE TERM OF THE CONTRACT

(MAR 1989) (Reference 17.208(g))

I-30. 52.219-8 UTILIZATION OF SMALL BUSINESS CONCERNS
(JAN 1999) (Reference 19.708(a))

I-31. 52.219-9 SMALL BUSINESS SUBCONTRACTING PLAN
(JAN 1996) (Reference 19.708(b))

I-32. 52.219-16 LIQUIDATED DAMAGES - SUBCONTRACTING
PLAN (JAN 1999) (Reference 19.708(b)(2))

I-33. 52.222-2 PAYMENT FOR OVERTIME PREMIUMS
(JUL 1990) (Reference 22.103-5(b))

I-34. 52.222-3 CONVICT LABOR (AUG 1996)
(Reference 22.202))

I-35. 52.222-4 CONTRACT WORK HOURS AND SAFETY STANDARDS
ACT - OVERTIME COMPENSATION (JUL 1995)
(Reference 22.305)

I-36. 52.222-26 EQUAL OPPORTUNITY (FEB 1999)
(Reference 22.810(e))
ALTERNATE I (FEB 1999)
The following terms of this clause are
waived for this contract: Work outside
the U.S. Contracts are exempt from the
requirements of E.O. 11246 for work
performed outside the U.S. by employees
who were not recruited within the U.S.

I-37. 52.222-29 NOTIFICATION OF VISA DENIAL (FEB 1999)
(Reference 22. 810(g))

I-38. 52.222-35 AFFIRMATIVE ACTION FOR SPECIAL DISABLED
AND VIETNAM ERA VETERANS (APR 1998)
(Reference 22.1308 (a)(1))

I-39.	52.222-36	AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES (JUN 1984) (Reference 22.1408(a))
I-40.	52.222-37	EMPLOYMENT REPORTS ON SPECIAL DISABLED VETERANS AND VETERANS OF THE VIETNAM ERA (JAN 1999) (Reference 22.1308(b))
I-41.	52.223-2	CLEAN AIR AND WATER (APR 1984) (Reference 23.105(b))
I-42.	52.223-5	POLLUTION PREVENTION AND RIGHT-TO-KNOW INFORMATION (APR 1998) (Reference 23.1005)
I-43.	52.223-10	WASTE REDUCTION PROGRAM (OCT 1997) (Reference 23.706)
I-44.	52.224-1	PRIVACY ACT NOTIFICATION (APR 1984) (Reference 24.104)
I-45.	52.224-2	PRIVACY ACT (APR 1984) (Reference 24.104)
I-46.	52.225-11	RESTRICTIONS ON CERTAIN FOREIGN PURCHASES (AUG 1998) (Reference 25.702)
I-47.	52.226-1	UTILIZATION OF INDIAN ORGANIZATIONS AND INDIAN-OWNED ECONOMIC ENTERPRISES (JAN 1999) (Reference 26.104)
I-48.	52.227-1	AUTHORIZATION AND CONSENT (JUL 1995) (Reference 27.201-2(a))
I-49.	52.227-2	NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT (AUG 1996) (Reference 27.202-2)

I-50.	52.227-14	RIGHTS IN DATA-GENERAL (JUN 1987) (Reference 27.409(a))
I-51.	52.227-19	COMMERCIAL COMPUTER SOFTWARE RESTRICTED RIGHTS (JUN 1987) (Reference 27.409(k))
I-52.	52.228-3	WORKERS COMPENSATION INSURANCE (DEFENSE BASE ACT) (APR 1984) (Reference 28.309(a))
I-53.	52.228-7	INSURANCE-LIABILITY TO THIRD PERSONS (MAR 1996) (Reference 28.311-1)
I-54.	52.229-8	TAXES-FOREIGN COST-REIMBURSEMENT CONTRACTS (MAR 1990) (Reference 29.402-2(a))
I-55.	52.230-2	COST ACCOUNTING STANDARDS (APR 1998) (Reference 30.201-4(a))
I-56.	52.230-5	ADMINISTRATION OF COST ACCOUNTING STANDARDS (APR 1996) (Reference 30.201-4(d)(1))
I-57.	52.232-9	LIMITATION ON WITHHOLDING OF PAYMENTS (APR 1984) (Reference 32.111 (c)(2))
I-58.	52.232-17	INTEREST (JUN 1996) (Reference 32.617(a))
I-59.	52.232-18	AVAILABILITY OF FUNDS (APR 1984) (Reference 32.705-1(a))
I-60.	52.232-20	LIMITATION OF COST (APR 1984) (Reference 32.705-2(a))
I-61.	52.232-25	PROMPT PAYMENT (JUN 1997) (Reference 32.908(c))

I-62.	52.232-34	<p>OPTIONAL INFORMATION FOR ELECTRONIC FUNDS TRANSFER PAYMENT (AUG 1996) (Reference 32.1103 (b)(c))</p>
I-63.	52.233-1	<p>DISPUTES (DEC 1998) (Reference 33.215)</p>
I-64.	52.233-3	<p>PROTEST AFTER AWARD (AUG 1996) (Reference 33.106(b)) ALTERNATE I (JUN 1985) (Reference 33.106(b))</p>
I-65.	52.237-2	<p>PROTECTION OF GOVERNMENT BUILDINGS, EQUIPMENT, AND VEGETATION (APR 1984) (Reference 37.110(b))</p>
I-66.	52.237-3	<p>CONTINUITY OF SERVICES (JAN 1991) (Reference 37.110(c))</p>
I-67.	52.242-1	<p>NOTICE OF INTENT TO DISALLOW COSTS (APR 1984) (Reference 42.802)</p>
I-68.	52.242-3	<p>PENALTIES FOR UNALLOWABLE COSTS (OCT 1995) (Reference 42.709-6)</p>
I-69.	52.242-4	<p>CERTIFICATION OF FINAL INDIRECT COSTS (JAN 1997) (Reference 42.703-2(f))</p>
I-70.	52.242-13	<p>BANKRUPTCY (JUL 1995) (Reference 42.903)</p>
I-71.	52.243-2	<p>CHANGES-COST-REIMBURSEMENT (AUG 1987) (Reference 43.205(b)(1)) ALTERNATE I (APR 1984)</p>
I-72.	52.244-2	<p>SUBCONTRACTS (AUG 1998) (Reference 44.204(a)(1))</p>

ALTERNATE I (AUG 1998)

- I-73. 52.244-5 **COMPETITION IN SUBCONTRACTING**
(DEC 1996) (Reference 44.204(C))
- I-74. 52.245-5 **GOVERNMENT PROPERTY (COST-REIMBURSEMENT,
TIME-AND-MATERIAL, OR LABOR-HOUR
CONTRACTS) (JAN 1986)**
(Reference 45.106(f)(1))
- I-75. 52.246-25 **LIMITATION OF LIABILITY-SERVICES**
(FEB 1997) (Reference 46.805)
- I-76. 52.247-63 **PREFERENCE FOR U.S.-FLAG AIR CARRIERS**
(JAN 1997) (Reference 47.405)
- I-77. 52.247-64 **PREFERENCE FOR PRIVATELY OWNED U.S.-FLAG
COMMERCIAL VESSELS (JUN 1997)**
(Reference 47.507(a))
- I-78. 52.247-67 **SUBMISSION OF COMMERCIAL TRANSPORTATION
BILL TO THE GENERAL SERVICES
ADMINISTRATION FOR AUDIT**
(JUN 1997) (Reference 47.104-4(c))
- I-79. 52.248-1 **VALUE ENGINEERING (MAR 1989)**
(Reference 48.201))
- I-80. 52.249-6 **TERMINATION (COST-REIMBURSEMENT)**
(SEP 1996) (Reference 49.503(a)(1))
- I-81. 52.249-14 **EXCUSABLE DELAYS (APR 1984)**
(Reference 49.505(d))
- I-82. 52.251-1 **GOVERNMENT SUPPLY SOURCES (APR 1984)**
(Reference 51.107)
- I-83. 52.253-1 **COMPUTER GENERATED FORMS**

(JAN 1991) (Reference 53.111)

- I-84. 252.203-7001 PROHIBITION ON PERSONS CONVICTED OF FRAUD
OR OTHER DEFENSE-CONTRACT-RELATED FELONIES
(MAR 1999) (Reference 203.570-5)
- I-85. 252.203-7002 DISPLAY OF DoD HOTLINE POSTER (DEC 1991)
(Reference 203.7002)
- I-86. 252-204-7000 DISCLOSURE OF INFORMATION (DEC 1991)
(Reference 204.404-70(a))
- I-87. 252.204-7001 COMMERCIAL AND GOVERNMENT ENTITY
(CAGE) CODE REPORTING (DEC 1991)
(Reference 204.602-70)
- I-88. 252.204-7003 CONTROL OF GOVERNMENT PERSONNEL WORK
PRODUCT (APR 1992)
(Reference 204.404-70(b))
- I-89. 252.204-7004 REQUIRED CENTRAL CONTRACTOR REGISTRATION
(MAR 1998) (Reference 204.7304)
- I-90. 252.209-7001 DISCLOSURE OF OWNERSHIP OR CONTROL BY A
GOVERNMENT OF A TERRORIST COUNTRY
(MAR 1998) (Reference 209.104-70(a))
- I-91. 252.209-7003 COMPLIANCE WITH VETERANS' EMPLOYMENT
REPORTING REQUIREMENTS (MAR 1998)
(Reference 209.104-70(c))
- I-92. 252.215-7000 PRICING ADJUSTMENTS (DEC 1991)
(Reference 215.408(1))
- I-93. 252.215-7002 COST ESTIMATING SYSTEM REQUIREMENTS
(OCT 1998) (Reference 215.408(2))

I-94. 252.219-7003 SMALL, SMALL DISADVANTAGED, AND
WOMEN-OWNED SMALL BUSINESS SUBCONTRACTING
PLAN (DoD CONTRACTS) (APR 1996)
(Reference 219.708(b)(1)(A))

I-95. 252.222-7002 COMPLIANCE WITH LOCAL LABOR LAWS
(OVERSEAS) (JUN 1997)
(Reference 222.7201(a))

I-96. 252.223-7004 DRUG-FREE WORK FORCE (SEP 1988)
(Reference 223.570-4)

I-97. 252.225-7011 RESTRICTION ON ACQUISITION OF
SUPERCOMPUTERS (JUL 1995)
(Reference 225.7023-3)

I-98. 252.225-7031 SECONDARY ARAB BOYCOTT OF ISRAEL
(JUN 1992) (Reference 225.770-5)

I-99. 252.225-7032 WAIVER OF UNITED KINGDOM LEVIES
(OCT 1992) (Reference 225.873-3)

I-100. 252.225-7041 CORRESPONDENCE IN ENGLISH (JUN 1997)
(Reference 225.971)

I-101. 252.225-7042 AUTHORIZATION TO PERFORM
(JUN 1997) (Reference 225.972)

I-102. 252.225-7043 ANTITERRORISM/FORCE PROTECTION POLICY
FOR DEFENSE CONTRACTORS OUTSIDE THE
U.S. (JUN 1998) (Reference 225.7402)

I-103. 252.227-7000 NON-ESTOPPEL (OCT 1966)
(Reference 227.7009-1)

I-104. 252.228-7003 CAPTURE AND DETENTION (DEC 1991)
(Reference 228.370(d))

- I-105. 252.229-7002 CUSTOMS EXEMPTIONS (GERMANY)
(JUN 1997) (Reference 229.402-70(b))
- I-106. 252.229-7006 VALUE ADDED TAX EXCLUSION (UNITED KINGDOM)
(JUN 1997) (Reference 229.402-70(f))
- I-107. 252.229-7007 VERIFICATION OF U.S. RECEIPT
OF GOODS (JUN 1997)
(Reference 229.402-70(g))
- I-108. 252.229-7008 RELIEF FROM IMPORT DUTY (UNITED KINGDOM)
(JUN 1997) (Reference 229.402-70(h))
- I-109. 252.229-7009 RELIEF FROM CUSTOMS DUTY AND VALUE ADDED
TAX ON FUEL (PASSENGER VEHICLES) (UNITED
KINGDOM) (JUN 1997)
(Reference 229.402-70(i))
- I-110. 252.229-7010 RELIEF FROM CUSTOMS DUTY ON FUEL
(UNITED KINGDOM) (JUN 1997)
(Reference 229.402-70(j))
- I-111. 252.231-7000 SUPPLEMENTAL COST PRINCIPLES
(DEC 1991) (Reference 231.100-70)
- I-112. 252.232-7008 ASSIGNMENT OF CLAIMS (OVERSEAS)
(JUN 1997) (Reference 232.806(a)(1))
- I-113. 252.233-7000 CERTIFICATION OF CLAIMS AND REQUESTS FOR
ADJUSTMENT OR RELIEF (APR 1993)
(Reference 233.7001)
- I-114. 252.233-7001 CHOICE OF LAW (OVERSEAS)
(JUN 1997) (Reference 233.215-70)
- I-115. 252.242-7004 MATERIAL MANAGEMENT AND
ACCOUNTING SYSTEM (SEP 1996)
(Reference 242.7206)

- I-116. 252.242-7005 **COST/SCHEDULE STATUS REPORT**
(MAR 1998) (Reference 242.1107-70(a))
- I-117. 252.243-7002 **REQUESTS FOR EQUITABLE ADJUSTMENT**
(MAR 1998) (Reference 243.205-72)
- I-118. 252.245-7001 **REPORTS OF GOVERNMENT PROPERTY**
(MAY 1994) (Reference 245.505-14(a))
- I-119. 252.251-7000 **ORDERING FROM GOVERNMENT SUPPLY SOURCES**
(MAY 1995) (Reference 251.107)
- I-120. 52.215-19 **NOTIFICATION OF OWNERSHIP CHANGES.**
(OCT 1997) (Reference 15.408(k))

a. The Contractor shall make the following notifications in writing:

(1) When the Contractor becomes aware that a change in its ownership has occurred, or is certain to occur, that could result in changes in the valuation of its capitalized assets in the accounting records, the Contractor shall notify the Administrative Contracting Officer (ACO) within 30 days.

(2) The Contractor shall also notify the ACO within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership.

b. The Contractor shall:

(1) Maintain current, accurate, and complete inventory records of assets and their costs;

(2) Provide the ACO or designated representative ready access to the records upon request;

(3) Ensure that all individual and grouped assets, their capitalized values, accumulated depreciation or amortization, and remaining useful lives are identified accurately before and after each of the Contractor's ownership changes; and

(4) Retain and continue to maintain depreciation and amortization schedules based on the asset records maintained before each Contractor ownership change.

c. The Contractor shall include the substance of this clause in all subcontracts under this contract that meet the applicability requirement of FAR 15.408(k).

(End of clause)

**I-121. 52.252-6 AUTHORIZED DEVIATIONS IN CLAUSES
(APR 1984) (Reference 52.107(f))**

a. The use in this solicitation or contract of any FAR (48 CFR Chapter 1) clause with an authorized deviation is indicated by the addition of "(DEVIATION)" after the date of the clause.

b. The use in this solicitation of any DFARS (48 CFR Chapter 2) clause with an authorized deviation is indicated by the addition of "(DEVIATION)" after the date of the clause.

(End of clause)

**I-122. 252.242-7000 POSTAWARD CONFERENCE
(DEC 1991) (Reference 242.570)**

The Contractor agrees to attend any postaward conference convened by the contracting activity or contract administration office in accordance with FAR Subpart 42.5.

(End of clause)

**I-123. 252.243-7001 PRICING OF CONTRACT MODIFICATIONS
(DEC 1991) (Reference 43.205-71))**

a. This clause applies to all pricing actions subject to Part 31 of the FAR. The FAR at 31.205-6(g)(3) limits the cost allowability of severance payments to foreign nationals employed under a service contract performed outside the U.S. unless the head of the agency or designee, grants a waiver pursuant to FAR 37.113-1 before contract award.

b. In making the determination concerning the granting of a waiver, the head of the agency will determine that:

(1) The application of the severance pay limitations to the contract would adversely affect the continuation of a

program, project, or activity that provides significant support services for:

(a) Members of the armed forces stationed or deployed outside the U.S.; or

(b) Employees of an executive agency posted outside the U.S..

(2) The Contractor has taken (or has established plans to take) appropriate action within its control to minimize the amount and number of incidents of the payment of severance pay to employees under the contract who are foreign nationals; and

(3) The payment of severance pay is necessary in order to comply with a law that is generally applicable to a significant number of businesses in the country in which the foreign national receiving the payment performed services under the contract, or is necessary to comply with collective bargaining agreement.

(End of clause)

**I-124. 252.247-7023 TRANSPORTATION OF SUPPLIES BY SEA
(NOV 1995) (Reference 247.573(b))**

a. Definitions. As used in this clause:

(1) "Components" means articles, materials, and supplies incorporated directly into end products at any level of manufacture, fabrication, or assembly by the Contractor or any subcontractor.

(2) "Department of Defense" (DoD) means the Army, Navy, Air Force, Marine Corps, and defense agencies.

(3) "Foreign flag vessel" means any vessel that is not a U.S.-flag vessel.

(4) "Ocean transportation" means any transportation aboard a ship, vessel, boat, barge, or ferry through international waters.

(5) "Subcontractor" means a supplier, materialman, distributor, or vendor at any level below the prime contractor whose contractual obligation to perform results from, or is conditioned upon, award of the prime contract and who is performing any part of the work or other requirement of the prime contract. However, effective May 1, 1996, the term does not

include a supplier, materialman, distributor, or vendor of commercial items or commercial components.

(6) "Supplies" means all property, except land and interests in land, that is clearly identifiable for eventual use by or owned by the DoD at the time of transportation by sea.

(a) An item is clearly identifiable for eventual use by the DoD if, for example, the contract documentation contains a reference to a DoD contract number or a military destination.

(b) "Supplies" includes (but is not limited to) public works; buildings and facilities; ships; floating equipment and vessels of every character, type, and description, with parts, subassemblies, accessories, and equipment; machine tools; material; equipment; stores of all kinds; end items; construction materials; and components of the foregoing.

(7) "U.S.-flag vessel" means a vessel of the U.S. or belonging to the U.S., including any vessel registered or having national status under the laws of the U.S..

b. The Contractor shall employ U.S.-flag vessels in the transportation by sea of any supplies to be furnished in the performance of this contract. The Contractor and its subcontractors may request that the Contracting Officer authorize shipment in foreign-flag vessels, or designate available U.S.-flag vessels, if the Contractor or a subcontractor believes that:

(1) U.S.-flag vessels are not available for timely shipment;

(2) The freight charges are inordinately excessive or unreasonable; or

(3) Freight charges are higher than charges to private persons for transportation of like goods.

c. The Contractor must submit any request for use of other than U.S.-flag vessels in writing to the Contracting Officer at least 45 days prior to the sailing date necessary to meet its delivery schedules. The Contracting Officer will process requests submitted after such date(s) as expeditiously as possible, but the Contracting Officer's failure to grant approvals to meet the shipper's sailing date will not of itself constitute a compensable delay under this or any other clause of this contract. Requests shall contain at a minimum-

- (1) Type, weight, and cube of cargo;
- (2) Required shipping date;
- (3) Special handling and discharge requirements;
- (4) Loading and discharge points;
- (5) Name of shipper and consignee;
- (6) Prime contract number; and

(7) A documented description of efforts made to secure U.S.-flag vessels, including points of contact (with names and telephone numbers) with at least two U.S.-flag carriers contacted. Copies of telephone notes, telegraphic and facsimile message or letters will be sufficient for this purpose.

d. The Contractor shall, within 30 days after each shipment covered by this clause, provide the Contracting Officer and the Division of National Cargo, Office of Market Development, Maritime Administration, U.S. Department of Transportation, Washington, DC 20590, one copy of the rated on board vessel operating carrier's ocean bill of lading, which shall contain the following information:

- (1) Prime contract number;
- (2) Name of vessel;
- (3) Vessel flag of registry;
- (4) Date of loading;
- (5) Port of loading;
- (6) Port of final discharge;
- (7) Description of commodity;
- (8) Gross weight in pounds and cubic feet if available;
- (9) Total ocean freight in U.S. dollars; and
- (10) Name of steamship company.

e. The Contractor agrees to provide with its final invoice under this contract a representation that to the best of its knowledge and belief:

(1) No ocean transportation was used in the performance of this contract;

(2) Ocean transportation was used and only U.S.-flag vessels were used for all ocean shipments under the contract;

(3) Ocean transportation was used, and the Contractor had the written consent of the Contracting Officer for all non-U.S.-flag ocean transportation; or

(4) Ocean transportation was used and some or all of the shipments were made on non-U.S.-flag vessels without the written consent of the Contracting Officer. The Contractor shall describe these shipments in the following format:

ITEM DESCRIPTION	CONTRACT LINE ITEMS	QUANTITY
TOTAL		

f. If the final invoice does not include the required representation, the government will reject and return it to the Contractor as an improper invoice for the purposes of the Prompt Payment clause of this contract. In the event there has been unauthorized use of non-U.S.-flag vessels in the performance of this contract, the Contracting Officer is entitled to equitably adjust the contract, based on the unauthorized use.

g. The Contractor shall include this clause, including this paragraph (g) in all subcontracts under this contract, which exceed the simplified acquisition threshold in Part 13 of the FAR.

(End of clause)

I-125. NOT USED

I-126. ORGANIZATIONAL CONFLICT OF INTEREST (DFAS) (FEB 1997)

a. This clause provides examples of certain organizational conflicts of interest which are prescribed by FAR Subpart 9.5. The two underlying principles to this clause are:

(1) preventing the existence of conflicting roles that might bias a contractor's judgement; and

(2) preventing unfair competitive advantage.

b. The following subsections prescribe certain limitations on contracting as the means of avoiding, neutralizing, or mitigating organizational conflicts of interest:

(1) If, under this contract, the Contractor will provide systems engineering and technical direction for a system, but does not have overall contractual responsibility for its development, integration, assembly, checkout, or production, the Contractor shall not be awarded a subsequent contract to supply the system or any of its major components, or to act as consultant to a supplier of any system, subsystem, or major component utilized for or in connection with any item or other matter that is (directly or indirectly) the subject of the systems engineering and technical direction. The term of this prohibition shall endure for the entire period of this contract and for 2 years thereafter.

(2) If, under this contract, the Contractor will prepare and furnish complete specifications covering nondevelopmental items, to be used in a competitive acquisition, the Contractor shall not be permitted to furnish these items, either as a prime Contractor or subcontractor. The term of this prohibition shall endure for the entire period of this contract performance and for either 2 years thereafter, or the duration of the initial production contract, whichever is longer. This rule shall not apply to Contractors that furnish specifications or data at government request or the situations in which contractors act as government representatives to help government agencies prepare, refine, or coordinate specifications, provided this assistance is supervised and controlled by government representatives.

(3) If, under this contract, the Contractor will prepare or assist in preparing a work statement to be used in competitively acquiring a system or services, the Contractor shall not supply the system, its major components, or the service unless the Contractor is the sole source, the Contractor has participated in the development and design work, or more than one Contractor has been involved in preparing the work statement.

(4) If, under this contract, the Contractor will provide technical evaluation of products or advisory and assistance services, the Contractor shall not provide such services if the services relate to the Contractor's own or a competitor's products or services unless proper safeguards are established to ensure objectivity.

(5) If, under this contract, the Contractor gains access to proprietary or source selection information of other companies while performing Contract Advisory Assistance Services

for the government, the Contractor agrees to protect this information from unauthorized use or disclosure and to refrain from using the information for any purpose other than that for which it was furnished. A separate agreement shall be entered into between the Contractor and the company whose proprietary information is the subject of this restriction. A copy of this agreement shall be provided to the Contracting Officer.

I-127. OPTION EXERCISE (DFAS I8) (JAN 1994)

The option referenced in FAR 52.217-8, "Option to Extend Services," may be exercised by written notice from the Contracting Officer prior to the expiration of the current period of performance, regardless of the existence of any option(s) in the contract (the prices of which would otherwise be effective during the period of performance being extended under FAR 52.217-8). Accordingly, the costs/prices identified within the period of performance being extended by the Contracting Officer shall supersede those of any unexercised option(s) remaining in the contract.

**I-128. LIABILITY INSURANCE (COST CONTRACTS) (DFAS I13)
(JAN 1994)**

The following types of insurance are required in accordance with FAR 52.228-7 entitled, "Insurance--Liability to Third Persons," and shall be maintained in the minimum amounts shown:

- (1) Comprehensive General Liability:
 - (a) \$200,000 per person; and
 - (b) \$500,000 per accident for bodily injury.
 - (c) No property damage general liability insurance is required.
- (2) Automobile Insurance (comprehensive form of policy is required):
 - (a) \$200,000 per person; and
 - (b) \$500,000 per accident for bodily injury; and
 - (c) \$20,000 per accident for property damage.
- (3) Standard Workmen's Compensation and Employer's Liability Insurance (or, where maritime employment is involved,

Longshoremen's and Harbor Worker's Compensation Insurance):
A minimum amount of \$100,000.

**I-129. AUTHORIZED CHANGES ONLY BY THE CONTRACTING OFFICER,
SUP 5252.243-9400 (JAN 1992)**

a. Except as specified in paragraph b herein, no order, statement, or conduct of government personnel who visit the Contractor's facilities, or in any other manner communicate with Contractor personnel during the performance of this contract, shall constitute a change under the "Changes" clause of this contract.

b. The Contractor shall not comply with any order, direction, or request of government personnel unless issued in writing and signed by the Contracting Officer, or pursuant to specific authority otherwise included in this contract.

c. The Contracting Officer is the only person authorized to approve changes in any of the requirements of this contract and, notwithstanding provisions contained elsewhere in this contract, said authority remains solely with the Contracting Officer. In the event the Contractor effects any change(s) at the direction of any person other than the Contracting Officer, that change shall be considered to have been made without authority and no adjustment in price shall be made in the contract (or delivery order) to cover any increase in charges incurred as a result thereof. The name and address of the PCO is:

DFAS Columbus Center
Attn: DFAS-HQ/ASO (Ms. Cheryl Marquez)
3990 East Broad Street, Building 21
Columbus, OH 43213-1152

Phone: (614) 693-4338

I-130. CHANGE PROPOSALS (DFAS I14) (AUG 1994)

a. After contract award, the government may solicit, and the Contractor is encouraged to independently propose changes to the equipment, software specifications, or other requirements of this contract. These changes may be proposed to save money, improve performance, save energy, or to satisfy increased data

processing requirements. If the proposed changes are acceptable to both parties, the Contractor shall submit a price proposal to the government for evaluation. Those proposed changes that are acceptable to the government will be processed as modifications to the contract.

b. This clause applies only to those proposed changes identified by the Contractor under a proposal submitted pursuant to the provisions of this clause. At a minimum, the following information shall be submitted by the Contractor with each proposal:

(1) A description of the difference(s) between the existing contract requirement and the proposed change(s), and the comparative advantages and disadvantages of each;

(2) Itemized requirements of the contract which must be changed if the proposal is adopted, and the proposed revision to the contract for each such change;

(3) An estimate of the changes in performance and cost, if any, that will result from adoption of the proposal;

(4) An evaluation of the effects the proposed change would have on collateral costs to the government, such as government-furnished property costs, costs of related items, and costs of maintenance and operation; and

(5) A statement of the time by which the change order adopting the proposal must be issued so as to obtain the maximum benefits of the changes during the remainder of this contract. Also, any effect on the contract completion time or delivery schedule shall be identified.

c. Change proposals submitted to the Contracting Officer shall be processed expeditiously. The government shall not be liable for proposal preparation costs or any delay in acting upon any proposal submitted pursuant to this clause. The Contractor has the right to withdraw, in whole or in part, any change proposal not accepted by the government within the period specified in the change proposal. The decision of the Contracting Officer as to the acceptance of any such proposal under this contract shall be final and shall not be subject to the "Disputes" clause of this contract.

d. The Contracting Officer may accept any change proposal submitted pursuant to this clause by giving the Contractor written notice thereof. This written notice may be given by issuance of a modification to this contract. Unless and until a modification is executed to incorporate a change proposal under

this contract, the Contractor shall remain obligated to perform in accordance with the terms of the existing contract.

e. If a change proposal submitted pursuant to this clause is accepted and applied to this contract, an equitable adjustment in the contract price and in any other affected provisions of this contract shall be made in accordance with this clause and other applicable clauses of this contract.

f. The Contractor is requested to identify specifically any information contained in the change proposal which the Contractor considers confidential and/or proprietary. Identification of information as confidential and/or proprietary is for information purposes only and shall not be binding on the government to prevent disclosure of such information. Offerors are advised that such information may be subject to release upon request pursuant to the Freedom of Information Act (5 U.S.C. 552).

g. Nothing in this clause shall be construed to authorize change proposals which are properly new work and require justification and approval in accordance with FAR Part 6. All matters should be coordinated with the Contracting Officer.

I-131. SEVERANCE PAY

a. U.S. CITIZENS AND FOREIGN NATIONALS. The Contractor shall ensure that, when possible, employment contracts for all new employees identify any specific liabilities in the event of involuntary termination without cause. Also, the Contractor shall strive for the inclusion of a similar provision in the employment contracts of existing overseas staff members. Where applicable, these liabilities shall be in conformance with local law. Unless specifically precluded by local law, MBF employees will not be eligible for severance payments if they receive a comparable offeror of employment from another division of the employing organization or a successor contractor.

(1) Section 346 of the Fiscal Year 1992 DoD Authorization Act further amended Title 10, U.S. Code, by providing the authority to waive these specific foreign national severance pay cost limitations for military banking contracts, provided that the military banking contractor(s) has taken (or has established plans to take) appropriate actions within the contractor's control to minimize the amount and number of accidents of the payment of severance pay by the contractor to employees who are foreign nationals. Section 346 further states that this waiver authority for military banking contractors does not apply to a financial institution that is owned or controlled

by citizens or nationals of a foreign country, as determined by the head of agency awarding the contract.

(2) The specific severance pay cost limitations, cited in FAR 52.237-8, that may be waived by the head of the agency are as follows:

(a) Costs of severance payments to foreign nationals employed under a service contract or subcontract performed outside the U.S. are unallowable to the extent that such payments exceed amounts typically paid to employees providing similar services in the same industry in the U.S.

(b) All costs of severance payment which are otherwise allowable are unallowable if the termination of employment of the foreign national is the result of the closing of, or the curtailment of activities at, a U.S. facility in that country, at the request of the government of that country.

b. REQUEST FOR WAIVER PROCEDURES. Offerors/contractors qualified to apply for a waiver from the requirements of b(3)(a) and (b) above, shall submit with their proposal (to the Contracting Officer) a statement that the offeror/contractor either has taken, or has established plans to take, actions within its control to minimize the amount and number of incidents of the payment of severance pay to foreign national employees; and that the financial institution is not owned or controlled by citizens or nationals of a foreign country. The offeror/contractor shall simultaneously submit documentation that the offeror/contractor considers will adequately support its statement and justify a waiver (e.g., applicable sections of the offeror's/contractor's established policies and procedures manuals, as well as verifiable past actions and/or planned actions relative to the payment of severance pay).

I-132. DELIVERY ORDER PROCEDURES (CPFF IDIQ)(DFAS I5) (DEC 1997)
(THIS CLAUSE IS APPLICABLE TO DELIVERY/TASK ORDERS
ISSUED AGAINST CLINS 0001 - 0048)

a. Ordering. Services to be furnished under this contract shall be furnished at such times as ordered by the issuance of Delivery Orders on Department of Defense (DD) Form(s) 1155 by the following individual who is designated as authorized ordering officer and the PCO:

TO BE COMPLETED AT TIME OF AWARD

(1) Such individual is also responsible for administering delivery orders placed hereunder.

(2) All delivery orders issued hereunder are subject to the terms and conditions of this contract. This contract shall control in the event of conflict with any delivery order. When mailed, a delivery order shall be "issued" for purposes of this contract at the time the government deposits the order in the mail (or, if transmitted by other means, when physically delivered to the Contractor).

(3) A DD Form 1155 will be issued for each order. In addition to any other data that may be called for in the contract, the following information shall be provided:

- (a) Contract number;
- (b) Requisition number;
- (c) Order Number;
- (d) Date;
- (e) Task(s) to be performed;
- (f) Number of hours for the task(s) by labor category and labor rate(s) (or CPFF as applicable);
- (g) Ceiling amount of order;
- (h) Accounting and appropriation data;
- (i) Inspection and delivery date(s);
- (j) Invoice and payment provisions to the extent not covered by the contract.

(4) The total estimated dollar amount of each order constitutes a ceiling price for that order. If at any time the Contractor has reason to believe that the sum of the hourly rate payments and support costs (or CPFF) which will accrue in the performance of the delivery order in the next succeeding 30 days, when added to all other payments previously accrued, will exceed 85 percent of the ceiling price set forth in the delivery order, the Contractor shall notify the Contracting Officer in writing to that effect, giving its revised estimate of the total price to the government for performance of the order, together with supporting reasons and documentation.

(5) The original and one copy of the delivery order (DD Form 1155) shall be furnished to the cognizant disbursing activity.

b. Processing Cycle. The tasks to be accomplished under this contract shall be determined by the Program Management Office. The COR shall forward all required documentation to the Ordering Officer. The Ordering Officer shall solicit a proposal from the Contractor requesting the Contractor's proposal for successful completion of the tasking. Following receipt of the Contractor's proposal, negotiations will be held between the Ordering Officer and the Contractor. However, the government reserves the right to unilaterally issue any delivery order. In that event, upon receipt of the DD Form(s) 1155, the Contractor considers the estimated labor hours allotted for completion of the work, or the specified completion date to be unreasonable, the Contractor shall promptly notify the Ordering Officer in writing stating why the estimated labor hours or specified completion date is/are unreasonable. Notwithstanding this notification, the Contractor shall without delay provide the services and/or supplies ordered and accomplish the work to the best of its ability.

c. Oral Orders. Oral orders may be placed hereunder only in emergency circumstances. Information described within this clause shall be furnished to the Contractor at the time of placing an oral order and shall be confirmed by issuance of a written delivery order on DD Form 1155 within 5 working days. Oral orders may only be issued by the PCO. Oral orders may not exceed \$10,000.

d. Modifications to Delivery Orders. Orders may be modified by written agreement between the Ordering Officer and the Contractor, effected on a Standard Form (SF) 30 and including the information set forth in paragraph a(3) above, as applicable. Orders may be modified orally by the Ordering Officer only in emergency circumstances. Oral modifications shall be confirmed by issuance of a written modification on SF 30 within 5 working days from the time of the oral communication modifying the delivery order.

e. Delivery Order Ceiling Amount. The ceiling amount for each delivery order may not be exceeded unless authorized by the Contracting Officer through issuance of a written modification to the delivery order.

f. CLIN Ceiling/Variation. The number of hours specified within the delivery order for any classification of direct labor by CLIN (or for CPFF, as set forth in the delivery order's level of effort) may be used by the Contractor in any other direct labor classification cited in the delivery order, provided that the number of hours so transferred do not exceed 10 percent of the number of hours in the direct labor classification from which

the hours are taken. Transfers in excess of this percentage shall not be made without a modification to the delivery order. (If 0 percent is shown, then no variation is authorized.)

I-133. MINIMUM AND MAXIMUM CONTRACT AMOUNT (TIME AND MATERIALS AND CPFF IDIQ) (DFAS I7) (SEP 1998)

a. During the life of this contract, the government shall place orders totaling a minimum of **CLIN 0001 - CLIN 0020** the total estimated dollar amount of the base lot of the contract. The minimum for each option exercised that extends the performance period shall be 10 percent of the total estimated amount of the option.

b. During the life of this contract, the total maximum amount available for placement under orders is cumulative with each option exercise and unexpended balances may be used in succeeding option years.

END OF SECTION I

SECTION J

LIST OF DOCUMENTS AND ATTACHMENTS

The following attachments (numbered 1 through 11 in Section J) are part of the scope of work under subject contract:

1. Operating Locations
2. Hours of Operation
3. Reporting Requirements
4. Licensing Requirements and Host Country Approvals
5. Required Host Country Regulatory Reports
6. Key Personnel and Authorized Negotiators
7. Charges for Banking Products and Services
8. Net Investable Balance Income
9. Worldwide Infrastructure*
10. D-1 and D-2 Reports*
11. Foreign Currency Exchange Rates
12. Permanent Operations Center (POC)**
13. Past Performance Questionnaire**

* Will Mail to Contractor only upon written or E-mail request to the Contracting Officer, Cheryl Marquez. Address and E-mail are in Section G-1.

** Attachments to be added in amendment include, but are not limited to: POC Specifics
Past Performance Questionnaire

END OF SECTION J LIST OF ATTACHMENTS

J-1. OPERATING LOCATIONS.

Locations where military banking products and services are to be provided are listed below. With regard to the locations listed below:

(1) Primary offices are shown to the left, with suboffices indented.

(2) An asterisk (*) indicates an installed ATM location.

(3) A parenthetical number following an asterisk denotes the number of ATMs currently installed at that location.

(4) A plus sign (+) indicates a colocated MBF area or district headquarters.

(5) Two asterisks (**) indicate an ATM/customer service representative site; i.e., no teller services.

(6) An (o) indicates an ATM is planned.

CONTINENTAL UNITED STATES

Operating Location	OMBP Permanent Home Office/Backroom	Military Department
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To be determined.

EUROPEAN THEATER - GERMANY/NETHERLANDS

Operating Locations	Full-Time/ Part-Time or Payday Only	Military Department
Ansbach (Katterbach Kaserne)	Full * (3)	Army
Babenhausen Kaserne	Full * (2)	Army
Aschaffenburg Housing	ATM Only (1)*	Army
Bad Aibling Station	Full * (1)	Army
AFRC Chiemsee	ATM Only* (1)	Army
Bamberg (Warner Barracks)	Full * (3)	Army
Buedingen (Armstrong Barracks)	Full * 1	Army
Gelnhausen Coleman Housing	ATM Only *	Army
Darmstadt		

Operating Locations	Full-Time/ Part-Time or Payday Only	Military Department
Fritsch Kaserne	Full * (3)	Army
Kelly Barracks	Full * (1)	Army
Frankfurt		
Country Headquarters		
Friedberg (Ray Barracks)	Full * (2)	Army
Bad Nauheim (Shopping Center)	ATM Only *	Army
Garmisch (Shopping Center)	Full * (1)	Army
Giebelstadt Air Field	Full * (1)	Army
Giessen (Artillerie Kaserne)	Full * (3)	Army
Grafenwoehr Training Area	Full * (3)	Army
Hanau		
Wolfgang Shopping Center	Full *(3)	Army
Hanau (Pioneer)	ATM Only * (2)	Army
Hutier	ATM Only *	Army
Fliegerhorst	Full * (2)	Army
Hohenfels Training Area	Full * (3)	Army
Illesheim (Storck Barracks)	Full * (2)	Army
Kirch-Goens Butzbach (Schloss Kaserne)	ATM Only * (1)	Army
Kitzingen (Harvey Barracks)	Full * (3)	Army
Larson Barracks	Full * (2)	Army
Rhein Main (Air Base)	Full * (1)	Air Force
Schweinfurt (Ledward Barracks)	Full * (3)	Army
Conn Barracks	Full * (2)	Army
Vilseck	Full * (3)	Army
Wiesbaden (Hainerberg Shopping Center)	Full * (2)	Army
American Arms Hotel	ATM Only * (1)	Army
Amelian Earhart Hotel	ATM Only * (1)	Army
Wackernheim (McCully Bks)	Part * (1)	Army
Wiesbaden (Erbenheim Air Base)	Full * (1)	Army
Mainz Kastel	Part (1)	Army
Wuerzburg (Leighton Barracks)	Full * (4)	Army
Bad Kreuznach (Shopping Center)	Full * (2)	Army
Baumholder (Smith Kaserne)	Full * (3)	Army
Idar-Oberstein (Strasbourg Kaserne)	ATM Only * (1)	Army
Neubruecke	ATM Only * (1)	Army
Bitburg (Shopping Center)	Full * (1) o	Air Force
Branch Consolidation Center (BCC)		Army
Dexheim (Anderson Barracks)	Full * (1)	Army

Operating Locations	Full-Time/ Part-Time or Payday Only	Military Department
Heidelberg (Shopping Center)	Full * (1) o	Army
Patrick Henry Village	ATM Only * (2)	Army
Heidelberg (Campbell Barracks)	Full * (1)	Army
130 th Station Hospital	Part	Army
Kaiserslautern (Vogelweh Shopping Center)	Full * (3) o	Air Force
Kleber Kaserne	Full * (2)	Army
Miesau	Full * (1)	Army
Rhine Ordnance	ATM Only * (1)	Army
Permasens	ATM Only * (1)	Air Force
Kapaun	ATM Only * (1)	Air Force
Landstuhl (Medical Center)	Full * (2)	Army
Mannheim (Coleman Barracks)	Full * (2)	Army
Mannheim (Sullivan Barracks)	Full * (3)	Army
Spinelli Barracks	ATM Only * (1)	Army
Mobile Van	Full	
Tompkins	ATM Only * (1)	Army
Turley Barracks	ATM Only * (1)	Army
Ramstein North	Full * (4)	Air Force
Ramstein Mobile Van	Full *	Air Force
Ramstein South	Full * (2)	Air Force
Schinnen (Netherlands)	Air Force	Army
Volkel	Part	
Sembach Air Base	Full * (2)	Air Force
Spangdahlem Air Base	Full * (4)	Air Force
Vaihingen (Patch Barracks)	Full * (2)	Army
Boeblingen (Panzer Kaserne)	Full * (1)	Army
Moehringen (Kelley)	Full * (1)	Army
Stuttgart (Robinson Barracks)	Part * (1)	Army

EUROPEAN THEATER - UNITED KINGDOM

Operating Locations	Full-Time/ Part-Time or Payday Only	Military Department
Alconbury	Full * (1)	Air Force
Molesworth	Full * (1)	Air Force
Croughton	Full * (1) o	Air Force
Fairford	Full * (1)	Air Force
Harrogate	Full * (2)	Air Force
Lakenheath	Full * (6)	Air Force
London (NAVEUR HQ)	Full * (1)	Navy
St. Mawgan	Full * (1)	Navy
Mildenhall	Full * (3) o	Air Force
West Ruislip	Full * (1)	Navy
High Wycombe	Part + (1)	Navy
Iceland		
Keflavik	Full * (1)	Navy
Camp Bonifas (Mobile Van I)	Part * (1)	Army
Camp Carroll	Full * (1)	Army
Camp Casey	Full * (5)	Army
Camp Castle	ATM Only * (1)	Army
Camp Colbern (Mobile Van II)	Part	Army
Camp Greaves (obile Van I)	Part * (1)	Army
Camp Giant (Mobile Van I)	Part	Army
Camp Edwards	ATM Only * (1)	Army
Camp Hovey	Full * (1)	Army
Camp Howze	Full * (1)	Army
Camp Humphreys	Full * (3)	Army
Camp Page	Full * (1)	Army
Camp Red Cloud	Full * (2) (0)	Army
Camp Jackson - NCO	ATM Only * (1)	Army
Camp Stanley	Full * (2)	Army
Camp Stanton (Mobile Van I)	Part * (1)	Army
DHL (Yongsan Compound)	Full * (3)	Army
District HQ (FED Compound)	Full	Army
Hannam Village (Mobile Van II)	ATM Only * (1)	Army
K-16 (Mobile Van II)	ATM Only * (1)	Army

PACIFIC THEATER - KOREA

Operating Locations	Full-Time/ Part-Time or Payday Only	Military Department
Kunsan Air Base	Full * (2)	Air Force
Camp Gary Owens (Mobile VAN I)	Part * (1)	Army
Osan Air Base	Full * (4) (0)	Air Force
Suwon	ATM Only* (1)	Army
Pusan (Hialeah Compound)	Full * (1)	Army
Chimae	ATM Only * (1)	Navy
Taegu	Full * (3)	Army
Yongsan	Full * (2)	Army
Camp Coiner	ATM Only * (1)	Army
Camp Long	Part	Army
Camp Eagle	ATM Only * (1)	Army
Camp Colbern	ATM Only* (1)	Army
Diego Garcia	Full	Navy

SOUTHERN COMMAND

Operating Locations	Full-Time/ Part-Time or Payday Only	Military Department
<u>Honduras</u>		
Soto Cano Air Base	ATM only	Air Force
<u>Cuba</u>		
Guantanamo Bay Naval Sta	Part *(2)	Navy

PACIFIC THEATER - JAPAN

Operating Locations	Full-Time/ Part-Time or Payday Only	Military Department
<u>Yokota (Japan) and related facilities</u>		
Yokota Air Base	Full +* (4)	Air Force
Camp Zama	Full * (1)	Army
New Sanno	Full * (1)	Navy
Sagami Depot (Zama)	Part o	Army
Sagemihara Housing	ATM Only	Army
Yokosuka	Full * (3)	Navy
Camp Fuji	ATM Only * (1)	Navy
Hari	ATM Only * (1)	Navy
Atsugi	Full * (3)	Navy
Iwakuni	Full * (2)	Navy
Kamiseya (Atsugi)	Part	Navy
Misawa	Full * (4)	Air Force
Sasebo	Full * (1)	Navy
Yokohama	Full * (1)	Navy
<u>Okinawa</u>		
Camp Courtney	Full *(1)	Navy
Camp Foster (Zukeran)	Full * (3) +o	Navy
Camp Hansen	Full * (1) o	Navy
Camp Kinser (Makiminato)	Full * (1)	Navy
Camp Schwab	Full * (2)	Navy
Futenma (Marine Corp. AS)	ATM Only * (1)	Navy
Kadena Air Base	Full * (8)	Air Force
Torii Station	Full * (1)	Army
Camp Lester	ATM Only * (1)	Navy

END OF LOCATIONS

J-2. HOURS OF OPERATION

<u>Military Banking Location</u>	<u>Days and Hours of Operation</u>	
<u>Japan and Okinawa</u>		
Yokota West	Monday - Thursday	9 a.m. to 3 p.m.
	Friday & Payday	9 a.m. to 5 p.m.
	Saturday	9 a.m. to 1 p.m.
New Sanno Hotel	Tuesday - Saturday	9:30 a.m. to 3:30 p.m.
Misawa	Monday - Thursday	9 a.m. to 3 p.m.
	Friday & Payday	9 a.m. to 5 p.m.
Yokosuka	Monday - Thursday	9 a.m. to 3 p.m.
	Friday & Payday	9 a.m. to 5 p.m.
Atsugi	Monday - Thursday	9 a.m. to 3 p.m.
	Friday & Payday	9 a.m. to 5 p.m.
Lwakuni	Monday - Thursday	9 a.m. to 3 p.m.
	Friday & Payday	9 a.m. to 5 p.m.
Sasebo	Monday - Thursday	9 a.m. to 3 p.m.
	Friday & Payday	9 a.m. to 5 p.m.
Yokohama	Monday - Thursday	9 a.m. to 3 p.m.
	Friday & Payday	9 a.m. to 5 p.m.
Camp Zama	Monday - Thursday	9 a.m. to 3 p.m.
	Friday & Payday	9 a.m. to 5 p.m.
Walk-Up Service	Monday - Friday	9 a.m. to 5 p.m.
Camp Foster	Monday - Thursday	9 a.m. to 3 p.m.
	Friday & Payday	9 a.m. to 5 p.m.
Walk-up Service	Saturday	9 a.m. to 12 p.m.
Kamiseya	Tuesday & Thursday	10 a.m. to 1 p.m.
Sagami Depot	Thursday	11 a.m. to 1 p.m.
Kadena	Monday - Thursday	9 a.m. to 3 p.m.
	Friday & Payday	9 a.m. to 5 p.m.
Walk-up Service	Saturday	9 a.m. to 12 p.m.

<u>Military Banking Location</u>	<u>Days and Hours of Operation</u>	
Camp Hansen	Monday - Thursday	9 a.m. to 3 p.m.
	Friday & Payday	9 a.m. to 5 p.m.
Camp Courtney	Monday - Thursday	9 a.m. to 3 p.m.
	Friday & Payday	9 a.m. to 5 p.m.
Camp Kinser	Monday - Thursday	9 a.m. to 3 p.m.
	Friday & Payday	9 a.m. to 5 p.m.
Camp Schwab	Monday - Thursday	9 a.m. to 2 p.m.
	Friday & Payday	9 a.m. to 5 p.m.
Torii Station	Monday - Thursday	9 a.m. to 3 p.m.
	Friday & Payday	9 a.m. to 5 p.m.
<u>Korea</u>		
District Office	Tuesday - Friday	8:30 a.m. to 5:30 p.m.
Dragon Hill Lodge	Monday - Friday	9:30 a.m. to 3 p.m.
Yongsan Branch	Saturday	9:30 a.m. to 2:30 p.m.
Camp Carroll	Tuesday - Friday	9 a.m. to 1 p.m. 3 p.m. to 5 p.m.
	Saturday	9 a.m. to 3 p.m.
Camp Howze	Tuesday - Friday	9:30 a.m. to 1 p.m. 3 p.m. to 5 p.m.
	Saturday	9 a.m. to 3 p.m.
Camp Long (Part Time)	Tuesday - Friday	9:30 a.m. to 1 p.m.
Camp Stanley	Tuesday - Friday	9 a.m. to 1 p.m. 3 p.m. to 5:30 p.m.
	Saturday	9 a.m. to 3 p.m.
Camp Casey	Tuesday - Friday	9 a.m. to 1 p.m. 3 p.m. to 5:30 p.m.
	Saturday	9 a.m. to 3 p.m.
Camp Hovey	Tuesday - Friday	9 a.m. to 1 p.m. 3 p.m. to 5:30 p.m.
	Saturday	9 a.m. to 3 p.m.

<u>Military Banking Location</u>	<u>Days and Hours of Operation</u>	
Camp Red Cloud	Tuesday - Friday	9 a.m. to 1 p.m. 3 p.m. to 5:30 p.m.
	Saturday	9 a.m. to 3 p.m.
Camp Humphreys	Tuesday - Friday	9 a.m. to 1 p.m. 3 p.m. to 5:30 p.m.
	Saturday	9 a.m. to 3 p.m.
Taega	Tuesday - Friday	9 a.m. to 1 p.m. 3 p.m. to 5:30 p.m.
	Saturday	9 a.m. to 3 p.m.
Osan	Tuesday - Friday	9 a.m. to 1 p.m. 3 p.m. to 5:30 p.m.
	Saturday	9 a.m. to 3 p.m.
Kunsan	Tuesday - Friday	9 a.m. to 1 p.m. 3 p.m. to 5:30 p.m.
	Saturday	9 a.m. to 3 p.m.
Pusan	Tuesday - Friday	9 a.m. to 1 p.m. 3 p.m. to 5:30 p.m.
	Saturday	9 a.m. to 3 p.m.
Camp Page	Tuesday - Friday	9 a.m. to 1 p.m. 3 p.m. to 5:30 p.m.
	Saturday	9 a.m. to 3 p.m.
Diego Garcia	Tuesday - Saturday	10 a.m. to 1:30 p.m. 3:30 p.m. to 6 p.m.
<u>Germany</u>		
Rhein Main	Monday, Tuesday, Wednesday & Friday	9:30 a.m. to 3:30 p.m.
	Thursday	9:30 a.m. to 5 p.m.
Hanau	Monday, Tuesday, Wednesday & Friday	9 a.m. to 4 p.m.
	Thursday	11 a.m. to 6 p.m.
	Saturday	9:30 a.m. to 1 p.m.
Friedberg	Monday - Friday	9 a.m. to 4 p.m.
Giessen	Monday - Friday	9 a.m. to 4 p.m.

<u>Military Banking</u> <u>Location</u>	<u>Days and Hours of Operation</u>	
Wiesbaden	Tuesday, Wednesday & Friday	9:30 a.m. to 4 p.m.
	Thursday	11 a.m. to 6 p.m.
	Saturday	9:30 a.m. to 1 p.m.
Mainz Kastel	Tuesday & Thursday	10:45 a.m. to 3 p.m.
Erbenneim	Monday - Friday	9 a.m. to 4 p.m.
Darmstadt	Monday, Tuesday Wednesday & Friday	9 a.m. to 4 p.m.
	Thursday	10 a.m. to 5 p.m.
	Saturday	9:30 a.m. to 1 p.m.
Kelly Barracks	Monday - Friday	9 a.m. to 4 p.m.
Wuerzburg	Monday, Tuesday, Wednesday & Friday	9 a.m. to 4 p.m.
	Thursday	11 a.m. to 6 p.m.
	Saturday	9:30 a.m. to 1 p.m.
Kitzingen	Monday - Friday	9 a.m. to 1600pm
	Thursday	11 a.m. to 6 p.m.
Larson Barracks	Monday - Friday	9 a.m. to 4 p.m.
Schweinfurt	Monday, Tuesday, Wednesday & Friday	9:30 a.m. to 4 p.m.
	Thursday	11 a.m. to 6 p.m.
	Following Pay Day Saturday	9:30 a.m. to 1 p.m.
Conn Barracks	Monday - Friday	9:30 a.m. to 1 p.m. 2 p.m. to 3:30 p.m.
Garmisch	Tuesday	10 a.m. to 4 p.m.
	Wednesday,	9 a.m. to 1 p.m.
	Thursday & Friday	2 p.m. to 4 p.m.
Ansbach	Monday, Tuesday, Wednesday & Friday	9 a.m. to 4 p.m.
	Thursday	11 a.m. to 4 p.m.

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<u>Military Banking</u> <u>Location</u>	<u>Days and Hours of Operation</u>	
Bamberg	Monday, Tuesday, Wednesday & Friday	9 a.m. to 4 p.m.
	Thursday	11 a.m. to 6 p.m.
	Saturday	9:30 a.m. to 1 p.m.
Grafenwoehr	Monday - Friday	9 a.m. to 4 p.m.
	Thursday	11 a.m. to 4 p.m.
Hohenfels	Monday - Friday	9 a.m. to 4 p.m.
	Thursday	11 a.m. to 4 p.m.
Babenhausen	Monday, Tuesday, Wednesday & Friday	9 a.m. to 4 p.m.
	Thursday	10 a.m. to 4:30 p.m.
	1 st Thursday	11 a.m. am to 5 p.m.
Fliergerhorst	Monday & Friday	9 a.m. to 4 p.m.
Buedingen	Monday, Tuesday, Wednesday & Friday	10a.m. to 4 p.m.
	Thursday	11 a.m. to 6 p.m.
Illesheim	Monday & Tuesday, Wednesday & Friday	9 a.m. to 6 p.m.
Vilseck	Monday, Tuesday, Wednesday & Friday	9 a.m. to 4 p.m.
	Thursday	11 a.m. to 6 p.m.
Giebelstadt	Monday - Friday	9 a.m. to 3:30 p.m.
	Thursday	11:30 a.m. to 4 p.m.
Bad Aibling	Monday - Friday	9 a.m. to 4 p.m.
Heidelberg Camp Barracks	Monday - Friday	9:30 a.m. to 4 p.m.
Heidleberg Shopping Center	Monday - Friday	9:30 a.m. to 4 p.m.
	Saturday	10 a.m. to 1:30 p.m.
Bad Kreuznach	Monday - Friday	9:30 a.m. to 4 p.m.
	Saturday	10 a.m. to 1:30 p.m.

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<u>Military Banking</u> <u>Location</u>	<u>Days and Hours of Operation</u>	
Spangdahlem	Monday - Friday	9:30 a.m. to 4 p.m.
	Paydays	9 a.m. to 4 p.m.
	Saturday	10 a.m. to 1:30 p.m.
Bitburg	Monday - Friday	9:30 a.m. to 1 p.m. 2 p.m. to 4 p.m.
Vaihingen	Monday - Friday	9:30 a.m. to 4 p.m.
Stuttgart	Tuesday & Thursday	9:30 a.m. to 1 p.m. 2:30 p.m. to 3:30 p.m.
Boeblingen	Monday - Friday	9:30 a.m. to 1 p.m. 2:30 p.m. to 4 p.m.
Kelley	Monday - Friday	9:30 a.m. to 1 p.m. 2:30 p.m. to 3:30 p.m.
Kaiserslautern	Monday - Friday	9:30 a.m. to 4 p.m.
	Paydays	9 a.m. to 4 p.m.
	Saturday	10 a.m. to 1:30 p.m.
Kleber Kaserne	Monday - Friday	9:30 a.m. to 1 p.m. 2 p.m. to 4 p.m.
Miesau Army Depot	Monday - Friday	9:30 a.m. to 1 p.m. 2 p.m. to 3:30 p.m.
Baumholder	Monday, Tuesday, Wednesday & Friday	9:30 a.m. to 4 p.m.
	Thursday	11 a.m. to 6 p.m.
	Paydays	9 a.m. to 4 p.m.
	Saturday	10 a.m. to 1:30 p.m.
Ramstein North	Monday - Friday	9:30 a.m. to 4 p.m.
	Paydays	9 a.m. to 4 p.m.
	Saturday	10 a.m. to 1:30 p.m.
Ramstein Mobile	Monday - Friday	9:30 a.m. to 4 p.m.
	Payday	9 a.m. to 4 p.m.
Ramstein South	Monday - Friday	9 a.m. to 4 p.m.
Sembach	Monday - Friday	9:30 a.m. to 4 p.m.
	Paydays	9 a.m. to 4 p.m.

<u>Military Banking</u> <u>Location</u>	<u>Days and Hours of Operation</u>	
Mannheim	Monday, Tuesday, Wednesday & Friday	9:30 a.m. to 4 p.m.
	Thursday	11 a.m. to 4 p.m.
	Paydays	9 a.m. to 4 p.m.
	Saturday	10 a.m. to 1:30 p.m.
Mobile Bank Van	Monday - Friday	9:30 a.m. to 2:45pm
Station Hospital 130th	Monday, Wednesday, & Friday	10 a.m. to 3 p.m.
Landstuhl	Monday - Friday	9 a.m. to 1 p.m. 2 p.m. to 4 p.m.
	Paydays	8:30 a.m. to 1 p.m. 2 p.m. to 4 p.m.
Coleman Bks	Monday, Tuesday, Wednesday & Friday	9:30 a.m. to 4 p.m.
	Thursday	11 a.m. to 6 p.m.
Dexheim	Monday - Friday	9:30 a.m. to 1 p.m. 2 p.m. to 4 p.m.
Wackernheim	Monday, Wednesday, Friday, & all Paydays	9:30 a.m. to 1 p.m. 2 p.m. to 4 p.m.
Schinnen	Tuesday, Wednesday, & Friday	9 a.m. to 4 p.m.
	Thursday	11 a.m. to 6 p.m.
	Saturday	9 a.m. to 2 p.m.
<u>United Kingdom</u>		
Alconbury	Monday, Wednesday, Thursday, & Friday	9 a.m. to 4 p.m.
	Saturday	9 a.m. to 1 p.m.
Molesworth	Monday - Friday	9 a.m. to 3:30 p.m.
Harrogate	Monday, Tuesday, Wednesday, Friday	9:15 a.m. to 3:30 p.m.

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<u>Military Banking Location</u>	<u>Days and Hours of Operation</u>	
Lakenheath	Monday, Tuesday, Wednesday, Thursday	9 a.m. to 3:30 p.m.
	Friday	9 a.m. to 5 p.m.
	Saturday	9 a.m. to 12 p.m.
Mildenhall	Monday, Tuesday, Wednesday, Thursday	9 a.m. to 3:30 p.m.
	Friday	9:30 a.m. to 4:30 p.m.
High Wycombe	Monday, Wednesday, & Friday	12 p.m. to 4:30 p.m.
	Paydays (Tuesday or Thursday)	12 p.m. to 4:30 p.m.
Croughton	Monday - Friday	8:30 a.m. to 4 p.m.
	Thursday	10 a.m. to 4 p.m.
Navy London	Monday - Friday	8:45 a.m. to 3:15 p.m.
West Ruislip	Tuesday, Thursday, & Friday	8:45 a.m. to 3:15 p.m.
	Wednesday	8:45 a.m. to 5:15 p.m.
Fairford	Tuesday, Wednesday, Thursday, Friday	9:30 a.m. to 3 p.m.
	Saturday	10 a.m. to 2 p.m.
St Mawgan	Monday - Friday	9 a.m. to 3 p.m.
<u>Iceland</u>		
Keflavik	Monday, Tuesday, Wednesday & Friday	9 a.m. to 3 p.m.
	Thursday	10:30 a.m. to 4 p.m.
<u>Netherlands</u>		
Schinnen	Tuesday, Thursday, & Friday	9 a.m. to 4 p.m.
	Wednesday	11 a.m. to 6 p.m.
	Saturday	9 a.m. to 2 p.m.

<u>Military Banking Location</u>	<u>Days and Hours of Operation</u>	
<u>Cuba</u>		
Guantanamo Bay (NS)	Monday, Wednesday, Friday & Payday	9 a.m. to 4 p.m.
<u>Honduras</u>		
Soto Cano (AB)	Monday - Friday	9 a.m. to 4 p.m.

J-3. REPORTING REQUIREMENTS

a. MONTHLY REPORTS. The Contractor shall submit the monthly reports listed below. The Contractor shall submit the reports specified below not later than 30 days after the end of the month for which the report is rendered to those recipients who have been identified by the Contracting Officer. If the Contracting Officer desires to change the foregoing list of recipients, he shall provide additional written instructions to the Contractor specifying such change.

- (1) Executive Summary Consolidated Income Statement.
- (2) Standardized Income and Expense Report (D-1).
- (3) Standardized Source and Use of Funds Report.
- (4) Employee Function Headcount.
- (5) Community Bank Employee Headcount.
- (6) Report on ATM.
- (7) Standardized Foreign Currency Exchange Rate Report.
- (8) Standardized Foreign Currency Fluctuation reports.
- (9) Funding Analysis Report.
- (10) Voucher Analysis Report.
- (11) Report on OMBP Interest Rates.
- (12) Executive Monthly Narrative Report.
- (13) Worldwide Interest Report.

b. QUARTERLY REPORTS

- (1) D-2
- (2) Investable Balance

c. SEMIANNUAL REPORTS

Product and Service Profitability

d. OMBP Yearly Reports

- (1) Income and Expense

- (2) Source and Use of Funds
- (3) MBF Activity
- (4) Recapitulation
- (5) Budget Reports

J-4. OVERSEAS MILITARY BANKING PROGRAM

LICENSING REQUIREMENTS AND HOST-COUNTRY APPROVALS

a. Japan and Okinawa - there are no licensing requirements or host-country approvals required for military banking operations.

b. Cuba - There is no SOFA or other licensing requirement for Cuba.

c. Korea - allows banking operation as an invited contractor under the SOFA, but requires permission from the military commands, and the military commands will obtain permission from the Korean Government.

d. Iceland - requires written approval from the central bank of Iceland. Such license is not transferable without the approval from the central bank of Iceland.

e. United Kingdom - requires an authorization from the Bank of England. Such authorization is not transferable without the approval from the Bank of England. Also, other corporate, tax and consumer credit filings are required.

f. Diego Garcia - requires an authorization from the Bank of England. Such authorization is not transferable without the approval from the Bank of England. Also requires approval from the Foreign Office/British Indian Ocean Territories.

f. Germany - allows banking operations under a SOFA agreement. Approval is granted by providing notice under Article 72 of the SOFA in a government to government diplomatic note.

g. Netherlands - allows banking operations under a SOFA. The European Command is responsible for assisting in obtaining approval from the government of the Netherlands. Also must file certain documents to obtain an exemption from Dutch banking requirements.

h. Honduras - No known licensing requirement. There is no SOFA with Honduras and no other requirement is known requiring a license to operate the ATM only support to U.S. Forces at Soto Cano Air base, Honduras.

J-5. OVERSEAS MILITARY BANKING PROGRAM

REQUIRED HOST COUNTRY REGULATORY REPORTS

<u>COUNTRY</u>	<u>REQUIRED REPORT</u>	<u>FREQUENCY</u>
Japan and Okinawa	None	
United Kingdom	S3 - Foreign Currency Expose	M, Q, BI, A
	BS - Balance Sheet	Q, BI, A
	SI (Claims) - Country Analysis of United Kingdom external sterling claims	Q, BI, A
	SI (Liabilities) - United Kingdom external sterling liabilities country analysis of overseas residence sterling deposits	Q, BI, A
	SI (Liabilities) - United Kingdom external sterling liabilities country analysis of sterling custody holdings for overseas	Q, BI, A
	S5 - Maturity analysis of liabilities and assets in currencies other than sterling	Q, BI, A
	Q6 - Maturity analysis of liabilities and assets of sterling	Q, BI, A
	B7 - Analysis of profits, large exposures and certain other miscellaneous information	Q, BI, A

J-5. OVERSEAS MILITARY BANKING PROGRAM

REQUIRED HOST COUNTRY REGULATORY REPORTS (cont)

<u>COUNTRY</u>	<u>REQUIRED REPORT</u>	<u>FREQUENCY</u>
United Kingdom (cont)	S2 (Liabilities) - Currencies other than sterling country analysis of United Kingdom external liabilities	BI, A
	S2 (Claims) - Currencies other than sterling country analysis of United Kingdom external claims	BI, A
	S2 (Section 2) - Currencies other than sterling currency analysis of liabilities and claims	BI, A
	BP - Transactions with overseas residents; interest, dividends and other invisible earnings	BI, A
	A3 - Revenue and expenditure	BI, A
	H1 (Inward) - Overseas direct investment	BI, A
	H1 (Outward) - Overseas direct investment	BI, A
	A2 - Annual valuation of British Government stocks held for overseas residents	BI, A
	A1 - Annual valuation return	BI, A

Legend: M - monthly
Q - quarterly
BI - biannually
A - annually

J-6. KEY PERSONNEL AND AUTHORIZED NEGOTIATORS

Reference Section H, Article H.2 "KEY PERSONNEL," the following contractor employees are hereby classified as key personnel under subject contract:

OMBP Manager

Chief Financial Officer

Chief of Operations

Other Key Staff Positions provided in offeror's
proposal

J-7. CHARGES FOR BANKING PRODUCTS AND SERVICES

The authorized charges for banking products and services provided under this contract are as shown on the attached pages.

Products/ Service Fees	United Kingdom/ Iceland	Germany/ Netherlands	Cuba	Japan/Okinawa	Korea/ Diego Garcia
<u>Regular Checking</u>					
Direct Deposit	No daily minimum balance, no monthly service charge	No daily minimum balance, no monthly service charge	No daily minimum balance, no monthly service charge	No daily minimum balance, no monthly service charge	No daily minimum balance, no monthly service charge
Other Accounts - Minimum Daily Balance No Service Charge	\$300	\$300	\$300	\$300	\$300
Service Charge - Daily Balance Drops Below \$300	\$5 per month	\$5 per month	\$5 per month	\$5 per month	\$5 per month
Minimum Opening Balance	None	None	None	None	None
90-Day Closing Charge	\$10	\$10	\$10	\$10	\$10
Inactive/Dormant Charge	\$5 per month	\$5 per month	\$5 per month	\$5 per month	\$5 per month
Stop Payment Charge	\$10	\$10	\$10	\$10	\$10
Overdraft Charge	\$20	\$20	\$20	\$20	\$20
Check Order Costs	50% upcharge plus shipping	50% upcharge plus shipping	50% upcharge plus shipping	50% upcharge plus shipping	50% upcharge plus shipping
NAFI/Private Organization Stop Payment Charge	\$10 or analysis	\$10 or analysis	\$10 or analysis	\$10 or analysis	\$10 or analysis

Products/ Service Fees	United Kingdom/ Iceland	Germany/ Netherlands	Cuba	Japan/Okinawa	Korea/ Diego Garcia
<u>Money Market Accounts</u>					
Minimum Daily Balance No Service Charge	\$500	\$500	\$500	\$500	\$500
Service Charge - Daily Balance Drops Below \$500	\$6 per month	\$6 per month	\$6 per month	\$6 per month	\$6 per month
Minimum Opening Balance	\$500	\$500	\$500	\$500	\$500
90-Day Closing Charge	\$10	\$10	\$10	\$10	\$10
Inactive/Dormant Charge	\$6 per month	\$6 per month	\$6 per month	\$6 per month	\$6 per month
Stop Payment Charge	\$10	\$10	\$10	\$10	\$10
Overdraft Charge	\$20	\$20	\$20	\$20	\$20
Check Order Costs	50% upcharge plus shipping	50% upcharge plus shipping	50% upcharge plus shipping	50% upcharge plus shipping	50% upcharge plus shipping
NAFI/Private Organization Stop Payment Charge	\$10 or analysis	\$10 or analysis	\$10 or analysis	\$10 or analysis	\$10 or analysis
<u>Regular Savings</u>					
Direct Deposit	No minimum balance or monthly service charge	No minimum balance or monthly service charge	No minimum balance or monthly service charge	No minimum balance or monthly service charge	No minimum balance or monthly service charge
Other Accounts Minimum Daily Balance No Service Charge	\$100	\$100	\$100	\$100	\$100
<u>Regular Savings (cont)</u>					

Products/ Service Fees	United Kingdom/ Iceland	Germany/ Netherlands	Cuba	Japan/Okinawa	Korea/ Diego Garcia
Service Charge - Daily Balance Drops Below \$100	\$2	\$2	\$2	\$2	\$2
Interest Restrictions	No interest account balance falls below \$100	No interest account balance falls below \$100	No interest account balance falls below \$100	No interest account balance falls below \$100	No interest account balance falls below \$100
Minimum Opening Balance	None	None	None	None	None
90-Day Closing Charge	\$10	\$10	\$10	\$10	\$10
Inactive/Dormant Charge	\$2 per month	\$2 per month	\$2 per month	\$2 per month	\$2 per month
Overdraft Charge	\$20	\$20	\$20	\$20	\$20
Saving Kit Costs	50% upcharge plus shipping	50% upcharge plus shipping	50% upcharge plus shipping	50% upcharge plus shipping	50% upcharge plus shipping
Savings Accounts Established Exclusively for Loan Repayment	None	None	None	None	None
<u>Minor Savings Accounts.</u> <u>(16 years and under)</u>					
Minimum Balance and Monthly Service Charge	No minimum balance or monthly service charge	No minimum balance or monthly service charge	No minimum balance or monthly service charge	No minimum balance or monthly service charge	No minimum balance or monthly service charge
<u>Minor Savings Accounts,</u> <u>(16 years and under (cont))</u>					

Products/ Service Fees	United Kingdom/ Iceland	Germany/ Netherlands	Cuba	Japan/Okinawa	Korea/ Diego Garcia
Interest Restrictions	\$20 minimum daily balance to earn interest	\$20 minimum daily balance to earn interest	\$20 minimum daily balance to earn interest	\$20 minimum daily balance to earn interest	\$20 minimum daily balance to earn interest
Minimum Opening Balance	None	None	None	None	None
90-Day Closing Charge	None	None	None	None	None
Inactive/Dormant Charge	None	None	None	None	None
Overdraft Charge	\$20	\$20	\$20	\$20	\$20
Saving Kit Costs	50% upcharge plus shipping	50% upcharge plus shipping	50% upcharge plus shipping	50% upcharge plus shipping	50% upcharge plus shipping
<u>Fixed Rate CDs</u>					
90-Day - 3-Year Term Minimum Opening Balance	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Early Withdrawal Penalty CD Maturity Period of 1 Year	1 month's interest	1 month's interest	1 month's interest	1 month's interest	1 month's interest
Early Withdrawal Penalty CD Maturity Period over 1 Year	3 month's interest	3 month's interest	3 month's interest	3 month's interest	3 month's interest
<u>Jumbo CDs - Fixed Term</u>					
Minimum Opening Balance	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000

Products/ Service Fees	United Kingdom/ Iceland	Germany/ Netherlands	Cuba	Japan/Okinawa	Korea/ Diego Garcia
Early Withdrawal Penalty CD Maturity Period of 1 Year	1 month's interest	1 month's interest	1 month's interest	1 month's interest	1 month's interest
Early Withdrawal Penalty CD Maturity Period over 1 Year	3 month's interest	3 month's interest	3 month's interest	3 month's interest	3 month's interest
<u>Foreign Currency CDs (NAFI and Organizational Accounts Only)</u>					
Minimum Opening Balance	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Early Withdrawal Penalty	1 month's interest plus bank charges	1 month's interest plus bank charges	1 month's interest plus bank charges	1 month's interest plus bank charges	1 month's interest plus bank charges
<u>ATM Card</u>					
Charge for Card	None	None	None	None	None
Daily Withdrawal Limits	\$500	\$500	\$500	\$500	\$500
ATM Networks	AFFN, Cirrus, Mastercard, VISA, Plus, AMEX, Discover	AFFN, Cirrus, Mastercard, VISA, Plus, AMEX, Discover	AFFN, Cirrus, Mastercard, VISA, Plus, AMEX, Discover	AFFN, Cirrus, Mastercard, VISA, Plus, AMEX, Discover	AFFN, Cirrus, Mastercard, VISA, Plus, AMEX, Discover
<u>ATM Transaction Charges</u>					

Products/ Service Fees	United Kingdom/ Iceland	Germany/ Netherlands	Cuba	Japan/Okinawa	Korea/ Diego Garcia
(MBF accountholders using non-MBF ATMs)					
Balance Inquiry	\$1	\$1	\$1	\$1	\$1
Acct Transfers	\$1	\$1	\$1	\$1	\$1
Cash Withdrawals	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50
Other Transactions	\$1	\$1	\$1	\$1	\$1
Addtl Network Upcharge	None	None	None	None	None
Accountholders and nonaccountholders MBF operated ATM transactions	No charge	No charge	No charge	No charge	No charge
<u>Check Cashing Services</u>					
Accountholders					
Checks Deposited to Account	No charge	No charge	No charge	No charge	No charge
Personal Checks or MBF Checks	No charge up to collective account balances	No charge up to collective account balances	No charge up to collective account balances	No charge up to collective account balances	No charge up to collective account balances
<u>Check Cashing Services</u>					
Accountholders (cont)					

Products/ Service Fees	United Kingdom/ Iceland	Germany/ Netherlands	Cuba	Japan/Okinawa	Korea/ Diego Garcia
Other Bank Checks - If Less Than \$500 Over Combined Checking and Savings Accounts.	None	None	None	None	None
Other Bank Checks If More Than \$500 Over Combined Checking and Saving Account Balances	\$3	\$3	\$3	\$3	\$3
U.S. Treasury, State, and Local Tax Refund Checks	None	None	None	None	None
Yen Drafts (Japan Only)	Not applicable	Not applicable	Not applicable	\$10	Not applicable
Nonaccountholders					
MBF Checks	None	None	None	None	None
U.S. Treasury, State, and Local Tax Refund Checks	\$1	\$1	\$1	\$1	\$1
Personal Checks, Credit Union Drafts, Money Orders, Travelers Checks, etc.	1% of value of check or \$3 minimum \$500 daily check cashing limit	1% of value of check or \$3 minimum \$500 daily check cashing limit	1% of value of check or \$3 minimum \$500 daily check cashing limit	1% of value of check or \$3 minimum \$500 daily check cashing limit	1% of value of check or \$3 minimum \$500 daily check cashing limit
Nonaccountholders (cont)					
Host Nation Government Paychecks	1% of value of check or \$3 minimum	1% of value of check or \$3 minimum	1% of value of check or \$3 minimum	1% of value of check or \$3 minimum	1% of value of check or \$3 minimum

Products/ Service Fees	United Kingdom/ Iceland	Germany/ Netherlands	Cuba	Japan/Okinawa	Korea/ Diego Garcia
Yen Drafts (Japan only)	Not applicable	Not applicable	Not applicable	\$10	Not applicable
<u>Dishonored Checks</u>					
MBF Checks	\$20	\$20	\$20	\$20	\$20
Charge-back Check	\$20	\$20	\$20	\$20	\$20
Nonaccountholder Returned Checks	\$20	\$20	\$20	\$20	\$20
NAFI and Organizations	\$10 or analysis fee	\$10 or analysis fee	\$10 or analysis fee	\$10 or analysis fee	\$10 or analysis fee
<u>Miscellaneous Products and Services.</u>					
<u>Cashier's Checks, Travelers Checks, and Money Orders</u>					
Cashier's Checks					
Accountholders	\$5	\$5	\$5	\$5	\$5
Nonaccountholders	\$5	\$5	\$5	\$5	\$5
Cashier's Checks for Ad Valorem - Germany only					
Accountholders	Not applicable	\$1	Not applicable	Not applicable	Not applicable
Nonaccountholders	Not applicable	\$1	Not applicable	Not applicable	Not applicable

Products/ Service Fees	United Kingdom/ Iceland	Germany/ Netherlands	Cuba	Japan/Okinawa	Korea/ Diego Garcia
Cashier's Checks for APO/FPO Custodians	No charge	No charge	No charge	No charge	No charge
Money Orders					
Accountholders	\$.50 first \$100, then \$.25 each \$100	\$.50 first \$100, then \$.25 each \$100	\$.50 first \$100, then \$.25 each \$100	\$.50 first \$100, then \$.25 each \$100	\$.50 first \$100, then \$.25 each \$100
Nonaccountholders	\$.50 first \$100, then \$.25 each \$100	\$.50 first \$100, then \$.25 each \$100	\$.50 first \$100, then \$.25 each \$100	\$.50 first \$100, then \$.25 each \$100	\$.50 first \$100, then \$.25 each \$100
Travelers Checks	1% face value	1% face value	1% face value	1% face value	½% face value
Foreign Currency Drafts	\$5	\$5	\$5	\$5	\$5
<u>Personal Loan Products</u>					
Interest Method	Simple interest loans	Simple interest loans	Simple interest loans	Simple interest loans	Simple interest loans
Minimum Monthly Payment	\$10 or loan balance	\$10 or loan balance	\$10 or loan balance	\$10 or loan balance	\$10 or loan balance
<u>Miscellaneous Products and Services.</u> <u>Cashier's Checks,</u> <u>Travelers Checks, and</u> <u>Money Orders (cont)</u>					
<u>Personal Loan Products</u>					

Products/ Service Fees	United Kingdom/ Iceland	Germany/ Netherlands	Cuba	Japan/Okinawa	Korea/ Diego Garcia
(cont)					
Late Charges for Loans	Simple interest adds to outstanding balance plus a \$20 late payment fee each occurrence	Simple interest adds to outstanding balance plus a \$20 late payment fee each occurrence	Simple interest adds to outstanding balance Plus a \$20 late payment fee each occurrence	Simple interest adds to outstanding balance Plus a \$20 late payment fee each occurrence	Simple interest adds to outstanding balance Plus a \$20 late payment fee
Charge for Exceeding Credit Limit(s) Line of Credit or Overdraft	\$20	\$20	\$20	\$20	\$20
<u>Loan Products</u>					
Unsecure Lines of Credit - Debt to Income Ratio 40%					
Minimum Credit	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Maximum Credit	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
<u>Loan Products</u> (cont)					
Overdraft Protection					
Minimum Amount	\$500	\$500	\$500	\$500	\$500
Maximum Amount	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500

Products/ Service Fees		United Kingdom/ Iceland	Germany/ Netherlands	Cuba	Japan/Okinawa	Korea/ Diego Garcia
Unsecured Signature Loan Debt to Income Ratio 40%						
Minimum Credit		\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Maximum Credit		\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Terms and Conditions						
<u>Amount</u>	<u>Max Term</u>	All	All	All	All	All
\$1,000 - \$1,500	18 months					
\$1,501 - \$2,500	24 months					
\$2,501 - \$5,000	36 months					
\$5,001 - \$7,500	48 months					
\$7,501 - \$15,000	60 months					
 Secured New and Preowned Auto Loan						
Maximum Term		72 Months	72 Months	72 Months	72 Months	72 Months
Maximum Credit		100% of value of auto	100% of value of auto	100% of value of auto	100% of value of auto	100% of value of auto

Products/ Service Fees	United Kingdom/ Iceland	Germany/ Netherlands	Cuba	Japan/Okinawa	Korea/ Diego Garcia
Secured Used Auto Loan					
Maximum Term	60 Months	60 Months	60 Months	60 Months	60 Months
Maximum Credit	90% of value of auto (NADA)	90% of value of auto (NADA)	90% of value of auto (NADA)	90% of value of auto (NADA)	90% of value of auto (NADA)
Secured Motorcycle					
Maximum Term	48 Months	48 Months	48 Months	48 Months	48 Months
Maximum Credit	80% of value of motorcycle	80% of value of motorcycle	80% of value of motorcycle	80% of value of motorcycle	80% of value of motorcycle
Secured Used Motorcycle					
Maximum Term	36 Months	36 Months	36 Months	36 Months	36 Months
Maximum credit	75% of value of motorcycle	75% of value of motorcycle	75% of value of motorcycle	75% of value of motorcycle	75% of value of motorcycle
Secured Loans - Assignment to Balance					
DEROS Restrictions	None	None	None	None	None
Maximum Term	None	None	None	None	None
Maximum Credit	Value of the	Value of the	Value of the	Value of the	Value of the

Products/ Service Fees	United Kingdom/ Iceland	Germany/ Netherlands	Cuba	Japan/Okinawa	Korea/ Diego Garcia
	assignment	assignment	assignment	assignment	assignment
<u>Miscellaneous Charges</u>					
Unencoded Checks/Withdrawals Slips	\$1 per item	\$1 per item	\$1 per item	\$1 per item	\$1 per item
Bank Statement Reconciliation	\$3 after first reconciliation	\$3 after first reconciliation	\$3 after first reconcilia- tion	\$3 after first reconciliation	\$3 after first reconciliation
Bank Statement Copy < 6 Months	\$1 per copy	\$1 per copy	\$1 per copy	\$1 per copy	\$1 per copy
Bank Statement Copy > 6 Months	\$2 per copy	\$2 per copy	\$2 per copy	\$2 per copy	\$2 per copy
Screen Print Stmt Copy	No charge	No charge	No charge	No charge	No charge
Photocopy of Stmt Items	\$1 per item	\$1 per item	\$1 per item	\$1 per item	\$1 per item
DM Denominated Check	Not applicable	5 DM per copy	Not applicable	Not applicable	Not applicable
Standing Payment Order	\$1	\$1	\$1	\$1	\$1
<u>Miscellaneous Charges</u> (cont)					
Incoming Wire Transfers Accountholders	None	None	None	None	None
Incoming Wire Transfers Nonaccountholders	\$20	\$20	\$20	\$20	\$20

Products/ Service Fees	United Kingdom/ Iceland	Germany/ Netherlands	Cuba	Japan/Okinawa	Korea/ Diego Garcia
Outgoing Wire transfers Accountholders	\$15	\$15	\$15	\$15	\$15
Outgoing Wire Transfers Nonaccountholders	\$20	\$20	\$20	\$20	\$20
Foreign Currency Wire Transfers (where available)	Accountholder and nonaccountholder wire transfer fees passed on to the customer plus wire transfer charge	Accountholder and nonaccountholder wire transfer fees passed on to the customer plus wire transfer charge	Accountholder and non- accountholder wire transfer fees passed on to the customer plus wire transfer charge	Accountholder and nonaccountholder wire transfer fees passed on to the customer plus wire transfer charge	Accountholder and non- accountholder wire transfer fees passed on to the customer plus wire transfer charge
Transfer of Funds Between MBF Banks	No charge	No charge	No charge	No charge	No charge
Savings Bonds Sale and Redemption	No charge	No charge	No charge	No charge	No charge
<u>Miscellaneous Charges</u> (cont)					
Local Currency Miscellaneous Electronic Payments					
Accountholder	\$2	\$2	\$2	\$2	\$2

Products/ Service Fees	United Kingdom/ Iceland	Germany/ Netherlands	Cuba	Japan/Okinawa	Korea/ Diego Garcia
Nonaccountholder	\$3	\$3	\$3	\$3	\$3
<u>Local Currency Individual Checking Accounts</u>					
United Kingdom - British Pound Sterling					
Minimum Balance No Monthly Service Charge	£300	Not applicable	Not applicable	Not applicable	Not applicable
Monthly Service Charge Daily Balance Below £300	£3				
Minimum Opening Balance	None	Not applicable	Not applicable	Not applicable	Not applicable
90-Day Closing Charge	£6	Not applicable	Not applicable	Not applicable	Not applicable
Monthly Inactive/Dormant Charge	£4	Not applicable	Not applicable	Not applicable	Not applicable
Stop Payment Charge	£6	Not applicable	Not applicable	Not applicable	Not applicable
Overdraft Charge	£14	Not applicable	Not applicable	Not applicable	Not applicable
United Kingdom - British Pound Sterling (cont)					
Check Order	50% upcharge plus shipping costs	Not applicable	Not applicable	Not applicable	Not applicable
Standing Payment Order	75 pence	Not applicable	Not applicable	Not applicable	Not applicable
Check Guarantee Card	£1	Not applicable	Not applicable	Not applicable	Not applicable
<u>ATM Only Accounts - No New</u>					

Products/ Service Fees	United Kingdom/ Iceland	Germany/ Netherlands	Cuba	Japan/Okinawa	Korea/ Diego Garcia
<u>Accounts Unless Directed by the COR</u>					
Minimum Balance	None, with direct deposit	None, with direct deposit	None, with direct deposit	None, with direct deposit	None, with direct deposit
Minimum Opening Balance	Direct deposit required	Direct deposit required	Direct deposit required	Direct deposit required	Direct deposit required
90-Day Closing Charge	\$10	\$10	\$10	\$10	\$10
Monthly Inactive/Dormant Charge	\$4	\$4	\$4	\$4	\$4
Overdraft Charge	\$20	\$20	\$20	\$20	\$20
Across-the-Counter Transactions	\$1	\$1	\$1	\$1	\$1
Sale and Repurchase of Foreign Currency. MBF Commission Based on Customer Category (Section C7-13)	Yes	Yes	Yes	Yes	Yes
<u>ATM Only Accounts - No New Accounts Unless Directed by the COR (cont)</u>					
Sale and Supply of U.S. Currency	Yes	Yes	Yes	Yes	Yes
NAFI and Organizational Account Analysis Charges	\$10 minimum or account analysis calculated charge	\$10 minimum or account analysis calculated charge	\$10 minimum or account analysis calculated	\$10 minimum or account analysis calculated charge	\$10 minimum or account analysis calculated

Products/ Service Fees	United Kingdom/ Iceland	Germany/ Netherlands	Cuba	Japan/Okinawa	Korea/ Diego Garcia
			charge		charge
Banking Service to Foreign Citizen Contractor Personnel as Authorized by the COR	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
ATM Only Account Minimum Daily Balance No Monthly Charge	Not applicable	Not applicable	\$500	Not applicable	Not applicable
Monthly Charge Daily Balance Falls Below \$500	Not applicable	Not applicable	\$5	Not applicable	Not applicable
Check Cashing	Not applicable	Not applicable	1% value of check \$3 minimum	Not applicable	Not applicable
Wire Transfers	Not applicable	Not applicable	\$20	Not applicable	Not applicable
Purchase of Money Orders	Not applicable	Not applicable	\$.50 first \$100 then \$.25 each \$100	Not applicable	Not applicable
<u>ATM Only Accounts - No New Accounts Unless Directed by the COR (cont)</u>					
Payroll Processing Fee Paid by the Foreign Citizen Employing Contractor	Not applicable	Not applicable	\$1 per employee for each payroll	Not applicable	Not applicable
Over the Counter Transaction Fee to Withdraw Cash	Not applicable	Not applicable	\$1	Not applicable	Not applicable

Products/ Service Fees	United Kingdom/ Iceland	Germany/ Netherlands	Cuba	Japan/Okinawa	Korea/ Diego Garcia
ATM Replacement Card	Not applicable	Not applicable	\$1	Not applicable	Not applicable
Purchase of Travelers Checks	Not applicable	Not applicable	1% of value	Not applicable	Not applicable

END OF PRODUCTS AND SERVICES

J-8. NET INVESTABLE BALANCE INCOME

a. **Income From Net Investable Balances**. The offeror shall base its proposal on the following parameters for the investment of net investable balances (see Section G):

(1) No less than 30 percent of the net investable balance shall be invested in Federal funds (overnight) placements.

(2) No more than 70 percent of the net investable balance shall be invested in U.S. Government or U.S. Government backed investments or securities with maturity dates of 2 or more days. However, to the extent that, in accordance with c or d below, any portion of the net investable balance is invested in investments or securities with maturity dates in excess of 182 days, the total percent of the net investable balance that may be invested with maturity dates from 2 days to 182 days shall be reduced by the percentage of such amounts of the net investable balance that are invested in investments or securities with maturity dates in excess of 182 days.

(3) No more than 35 percent of the net investable balance shall be invested in U.S. Government or U.S. Government backed investments or securities with maturity dates in excess of 182 days.

(4) The Program Office shall be given 10 days advance notice prior to the Contractor investing any portion of the net investable balance in U.S. Government or U.S. Government backed investments or securities with maturity dates in excess of 365 days, or that extend beyond the term of the contract.

(5) The percentage invested in securities with maturities that are overnight, 2 days to 182 days, and over 182 days shall be deemed to be in compliance with the provisions of (1) through (4) above if, on the date such amounts are invested, all such percentages are in compliance with the provisions of (1) through (4) above.

(6) Additional Parameters for Investing the Net Investable Balances. In addition to the parameters addressed above, the offeror shall provide alternative parameters for investing the net investable balances and identify related revenues and costs, as well as, charges, fees, rates and percentages and other specific details.

b. **Investable Balance Award Fee.** The offeror shall provide and identify related revenues and costs, as well as charges, fees, rates and percentages, and other specific details for an additional annual award fee if earnings on the "Total Investable Balance" are in excess of the average 12-month Treasury Bill rate applied to the average daily balance of the Total Investable Balance for the fiscal year, as provided for below:

(1) For purposes of determining entitlement to this award fee, the total investable balance shall include the following amounts:

- (a) Net Investable Balance,
- (b) Collateralized amounts,
- (c) Amounts loaned to customers, and
- (d) Compensating balances at correspondent banks.

(2) For purposes of determining entitlement to this award fee, income and earnings on the total investable balance shall:

- (a) Include all income and earnings from the net investable balance;
- (b) Include only such income and earnings from CDs that are earned in excess of amounts owed to, authorized customers, and are returned to the net investable balance;
- (c) Exclude all income or earnings to the Program that result from, or are associated with, amounts vouchered or billed to, or paid by, the military departments;
- (d) Include all other income and earnings to the Program from other sources not explicitly excluded; and
- (e) Be offset by bad debts due to defaulted loans.

(3) For purposes of computing entitlement to this award fee, actual income and earnings for the fiscal year as provided for in (1) and (2) above, shall be compared to the equivalent earnings of the 12-month treasury bill rate applied to the daily total investable balance. Equivalent earnings shall be determined as follows:

- (a) The daily total investable balance for each day of the fiscal year-to-date, including Saturdays, Sundays, and holidays shall be added, and be divided by the number of days in

the fiscal year-to-date, including Saturdays, Sundays, and holidays.

(b) The daily equivalent rate of the 12-month treasury bill rate in effect for each day of the fiscal year-to-date, including Saturdays, Sundays, and holidays shall be added, and be divided by the number of days in the fiscal year-to-date, including Saturdays, Sundays, and holidays. The daily equivalent rate of the 12-month treasury bill rate shall be derived as published in the weekly Federal Reserve Statistical Release, "Selected Interest Rates (H-15)" table, for the same day. For purposes of these computations, the rate for Saturday, Sunday, and holidays shall be considered to be that of the last previous business day immediately preceding the Saturday, Sunday, or holiday.

(c) Multiply the result of L.001(A)(16)(c)(1) by the result of L.001(A)(16)(c)(2).

(d) Multiply the result of L.001(A)(16)(c)(3) by the number of days in the fiscal year-to-date (365 or 366 for the final computation at the end of the fiscal year).

(4) The Offeror shall be responsible for providing computations demonstrating entitlement to this fee. Such computations shall include, as a minimum, a quarterly status report, containing year-to-date information, that compares actual income and earnings, as provided for in L.001(A)(16)(a) above, to equivalent earnings, as provided for in L.001(A)(16)(b) above.

(5) The quarterly status reports required by L.001(A)(16)(c) above shall be provided to the Program Office within 30 days after the end of each quarter. A final report for the applicable fiscal year shall be provided within 45 days after the end of the fiscal year. Within 45 days of receipt of the final report for a fiscal year, the Program Office either shall confirm entitlement to this fee, or notify the offeror of any objection to or disagreement with the final report and the offeror's proposed entitlement to this fee.

(6) Notwithstanding the provisions of L.001(A)(16)(a) through (e) above, the offeror shall not be entitled to any such investable balance earnings award fee unless the income and earnings for the fiscal year as provided for in L.001(A)(16)(a) and (b) above exceed the equivalent earnings provided for in L.001(A)(16)(c) by a factor of three or more times the investable balance earnings award fee.

(7) In addition to the award fee provided for, as stated above, the offeror shall provide alternates for maximizing

the financial return to the Program without significant risk, and propose fee dollar amounts for each such proposal.

J-11. FOREIGN CURRENCY EXCHANGE RATES

(Units of Foreign Currency Per One U.S. Dollar)

The table below establishes the foreign currency rates that will be used in developing cost proposals under the OMBP solicitation. These rates are considered estimates for proposal purposes and will not bind the Contractor to perform using these rates. Offerors will use these rates for all years (FY01 to 10) in preparing their proposals.

<u>Country</u>	<u>Monetary Unit</u>	<u>Rate</u>
Belgium	Franc	35.3500
Denmark	Krone	6.5115
Euro	Euro	0.875631
France	Franc	5.7430
Germany	Deutsche Mark	1.7125
Greece	Drachma	287.35
Iceland	Kronur	71.750
Italy	Lira	1,695.00
Japan	Yen	123.050
Netherlands	Guilder	1.9314
Norway	Krone	7.5653
Portugal	Escudo	172.610
Singapore	Dollar	1.6490
South Korea	Won	1,242.5
Spain	Peseta	145.65
Turkey	Lira	301,935.0
United Kingdom	Pound	0.6045

SECTION K

REPRESENTATIONS, CERTIFICATIONS, AND OTHER STATEMENTS OF OFFERORS

K-1. 52.252-1 SOLICITATION PROVISIONS INCORPORATED BY REFERENCE (FEB 1998) (Reference 52.107(a))

This solicitation incorporates one or more solicitation provisions by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. The offeror is cautioned that the listed provisions may include blocks that must be completed by the offeror and submitted with its quotation or offer. In lieu of submitting the full text of those provisions, the offeror may identify the provision by paragraph identifier and provide the appropriate information with its quotation or offer. Also, the full text of a solicitation provision may be accessed electronically at this/these address(es):

<http://farsite.hill.af.mil/>

(End of provision)

K-2. 52.204-3 TAXPAYER IDENTIFICATION (OCT 1998) (Reference 4.905)

a. Definitions.

(1) "Common parent," as used in this provision, means that corporate entity that owns or controls an affiliated group of corporations that files its Federal income tax returns on a consolidated basis, and of which the offeror is a member.

(2) "Taxpayer Identification Number (TIN)," as used in this provision, means the number required by the IRS to be used by the offeror in reporting income tax and other returns. The TIN may be either a social security number or an employer identification number.

b. All offerors must submit the information required in paragraphs d through f of this provision to comply with debt collection requirements of 31 U.S.C. 7701(c) and 3325(d), reporting requirements of 26 U.S.C. 6041, 6041A, and 6050M, and implementing regulations issued by the IRS. If the resulting contract is subject to the payment reporting requirements described in FAR 4.904, the failure or refusal by the offeror to

furnish the information may result in a 31 percent reduction of payments otherwise due under the contract.

c. The TIN may be used by the government to collect and report on any delinquent amounts arising out of the offeror's relationship with the government (31 U.S.C. 7701(c)(3)). If the resulting contract is subject to the payment reporting requirements described in FAR 4.904, the TIN provided hereunder may be matched with IRS records to verify the accuracy of the offeror's TIN.

d. TIN.

* TIN: _____.

* TIN has been applied for.

* TIN is not required because:

* Offeror is a nonresident alien, foreign corporation, or foreign partnership that does not have income effectively connected with the conduct of a trade or business in the U.S. and does not have an office or place of business or a fiscal paying agent in the U.S.;

* Offeror is an agency or instrumentality of a foreign government;

* Offeror is an agency or instrumentality of the Federal Government.

e. Type of organization.

* Sole proprietorship;

* Partnership;

* Corporate entity (not tax-exempt);

* Corporate entity (tax-exempt);

* Government entity (Federal, State, or local);

* Foreign government;

* International organization per 26 CFR 1.6049-4;

* Other _____.

f. Common parent.

* Offeror is not owned or controlled by a common parent as defined in paragraph a of this provision.

* Name and TIN of common parent:

Name _____

TIN _____

(End of provision)

**K-3. 52.209-5 CERTIFICATION REGARDING DEBARMENT, SUSPENSION,
PROPOSED DEBARMENT, AND OTHER RESPONSIBILITY
MATTERS (MAR 1996) (Reference 9.409(a))**

a. The offeror certifies, to the best of its knowledge and belief, that:

(1) The offeror and/or any of its Principals:

(a) Are * are not * presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency;

(b) Have * have not *, within a 3-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; and

(c) Are * are not * presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in subdivision a(1)(b) of this provision.

(2) The offeror has * has not *, within a 3-year period preceding this offer, had one or more contracts terminated for default by any Federal agency.

b. "Principals," for the purposes of this certification, means officers; directors; owners; partners; and, persons having

primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a subsidiary, division, or business segment, and similar positions). This certification concerns a matter within the jurisdiction of an agency of the U.S. and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under Section 1001, Title 18, U.S. Code.

c. The offeror shall provide immediate written notice to the Contracting Officer if, at any time prior to contract award, the offeror learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

d. A certification that any of the items in paragraph a of this provision exists will not necessarily result in withholding of an award under this solicitation. However, the certification will be considered in connection with a determination of the offeror's responsibility. Failure of the offeror to furnish a certification or provide such additional information as requested by the Contracting Officer may render the offeror nonresponsible.

e. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by paragraph a of this provision. The knowledge and information of an offeror is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

f. The certification in paragraph a of this provision is a material representation of fact upon which reliance was placed when making award. If it is later determined that the offeror knowingly rendered an erroneous certification, in addition to other remedies available to the government, the Contracting Officer may terminate the contract resulting from this solicitation for default.

(End of provision)

**K-4. 52.222-22 PREVIOUS CONTRACTS AND COMPLIANCE REPORTS
(FEB 1999) (Reference 22.810(a)(2))**

The offeror represents that:

(1) It * has, * has not participated in a previous contract or subcontract subject the Equal Opportunity clause of this solicitation;

(2) It * has, * has not filed all required compliance reports; and

(3) Representations indicating submission of required compliance reports, signed by proposed subcontractors, will be obtained before subcontract awards.

(End of provision)

K-5. 52.222-25 AFFIRMATIVE ACTION COMPLIANCE (APR 1984)
(Reference 22.810(d))

The offeror represents that:

(1) It * has developed and has on file, * has not developed and does not have on file, at each establishment, affirmative action programs required by the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2); or

(2) It * has not previously had contracts subject to the written affirmative action programs requirement of the rules and regulations of the Secretary of Labor.

(End of provision)

K-6. 52.223-1 CLEAN AIR AND WATER CERTIFICATION (APR 1984)
(Reference 23.105(a))

The offeror certifies that:

(1) Any facility to be used in the performance of this proposed contract is * is not * listed on the Environmental Protection Agency (EPA) List of Violating Facilities;

(2) The offeror will immediately notify the Contracting Officer, before award, of the receipt of any communication from the administrator, or a designee, of the EPA, indicating that any facility that the offeror proposes to use for the performance of the contract is under consideration to be listed on the EPA List of Violating Facilities; and

(3) The offeror will include a certification substantially the same as this certification, including this paragraph c, in every nonexempt subcontract.

(End of provision)

**K-7. 52.227-15 REPRESENTATION OF LIMITED RIGHTS DATA
AND RESTRICTED COMPUTER SOFTWARE (MAY 1999)**
(Reference 27.409(g))

a. This solicitation sets forth the work to be performed if a contract award results, and the government's known delivery requirements for data (as defined in FAR 27.401). Any resulting contract may also provide the government the option to order additional data under the Additional Data Requirements clause at 52.227-16 of the FAR, if included in the contract. Any data delivered under the resulting contract will be subject to the Rights in Data--General clause at 52.227-14 that is to be included in this contract. Under the latter clause, a Contractor may withhold from delivery data that qualify as limited rights data or restricted computer software, and deliver form, fit, and function data in lieu thereof. The latter clause also may be used with its Alternates II and/or III to obtain delivery of limited rights data or restricted computer software, marked with limited rights or restricted rights notices, as appropriate. In addition, use of Alternate V with this latter clause provides the government the right to inspect such data at the Contractor's facility.

b. As an aid in determining the government's need to include Alternate II or Alternate III in the clause at 52.227-14, Rights in Data--General, the offeror shall complete paragraph c of this provision to either state that none of the data qualify as limited rights data or restricted computer software, or identify, to the extent feasible, which of the data qualifies as limited rights data or restricted computer software. Any identification of limited rights data or restricted computer software in the offeror's response is not determinative of the status of such data should a contract be awarded to the offeror.

c. The offeror has reviewed the requirements for the delivery of data or software and states (offeror check appropriate block):

* None of the data proposed for fulfilling such requirements qualifies as limited rights data or restricted computer software.

* Data proposed for fulfilling such requirements qualify as limited rights data or restricted computer software and are identified as follows:

Note: "limited rights data" and "restricted computer software" are defined in the contract clause entitled "Rights in Data--General."

(End of provision)

K-8. 52.230-1 COST ACCOUNTING STANDARDS NOTICES AND CERTIFICATION (APR 1998) (Reference 30.201-3)

Note: This notice does not apply to small businesses or foreign governments. This notice is in three parts, identified by Roman numerals I through III.

Offerors shall examine each part and provide the requested information in order to determine CAS requirements applicable to any resultant contract.

If the offeror is an educational institution, Part II does not apply unless the contemplated contract will be subject to full or modified CAS coverage pursuant to 48 CFR 9903.201-2(c)(5) or 9903.201-2(c)(6), respectively.

I. Disclosure Statement--Cost Accounting Practices and Certification

(a) Any contract in excess of \$500,000 resulting from this solicitation will be subject to the requirements of the CAS Board (48 CFR Chapter 99), except for those contracts which are exempt as specified in 48 CFR 9903.201-1.

(b) Any offeror submitting a proposal which, if accepted, will result in a contract subject to the requirements of 48 CFR Chapter 99 must, as a condition of contracting, submit a Disclosure Statement as required by 48 CFR 9903.202. When required, the disclosure statement must be submitted as a part of the offeror's proposal under this solicitation unless the offeror has already submitted a disclosure statement disclosing the practices used in connection with the pricing of this proposal. If an applicable disclosure statement has already been submitted, the offeror may satisfy the requirement for submission by providing the information requested in paragraph (c) of Part I of this provision.

Caution: In the absence of specific regulations or agreement, a practice disclosed in a disclosure statement shall not, by virtue of such disclosure, be deemed to be a proper, approved, or agreed-to practice for pricing proposals or accumulating and reporting contract performance cost data.

(c) Check the appropriate box below:

* 1. Certificate of Concurrent Submission of Disclosure Statement. The offeror hereby certifies that, as a part of the offer, copies of the Disclosure Statement have been submitted as follows:

a. Original and one copy to the cognizant ACO or cognizant Federal agency official authorized to act in that capacity (Federal official), as applicable; and

b. One copy to the cognizant Federal auditor.

(Disclosure must be on Form No. CASB DS-1 or CASB DS-2, as applicable. Forms may be obtained from the cognizant ACO or Federal official and/or from the loose-leaf version of the FAR.)

Date of disclosure statement: _____

Name and address of cognizant ACO or Federal official where filed: _____

The offeror further certifies that the practices used in estimating costs in pricing this proposal are consistent with the cost accounting practices disclosed in the Disclosure Statement.

* 2. Certificate of Previously Submitted Disclosure Statement. The offeror hereby certifies that the required disclosure statement was filed as follows:

Date of disclosure statement: _____

Name and address of cognizant ACO or Federal official where filed: _____

The offeror further certifies that the practices used in estimating costs in pricing this proposal are consistent with the cost accounting practices disclosed in the applicable Disclosure Statement.

* 3. Certificate of Monetary Exemption. The offeror hereby certifies that the offeror, together with all divisions, subsidiaries, and affiliates under common control, did not receive net awards of negotiated prime contracts and subcontracts subject to CAS totaling more than \$25 million (of which at least one award exceeded \$1 million) in the cost accounting period immediately preceding the period in which this proposal was submitted. The offeror further certifies that if

such status changes before an award resulting from this proposal, the offeror will advise the Contracting Officer immediately.

* 4. Certificate of Interim Exemption. The offeror hereby certifies that:

a. the offeror first exceeded the monetary exemption for disclosure, as defined in subparagraph 3 of this subsection, in the cost accounting period immediately preceding the period in which this offer was submitted and

b. in accordance with 48 CFR 9903.202-1, the offeror is not yet required to submit a disclosure statement. The offeror further certifies that if an award resulting from this proposal has not been made within 90 days after the end of that period, the offeror will immediately submit a revised certificate to the Contracting Officer, in the form specified under subparagraph (c)1 or (c)2 of Part I of this provision, as appropriate, to verify submission of a completed disclosure statement.

Caution: Offerors currently required to disclose because they were awarded a CAS-covered prime contract or subcontract of \$25 million or more in the current cost accounting period may not claim this exemption (4). Further, the exemption applies only in connection with proposals submitted before expiration of the 90-day period following the cost accounting period in which the monetary exemption was exceeded.

II. Cost Accounting Standards--Eligibility for Modified Contract Coverage

If the offeror is eligible to use the modified provisions of 48 CFR 9903.201-2(b) and elects to do so, the offeror shall indicate by checking the box below. Checking the box below shall mean that the resultant contract is subject to the Disclosure and Consistency of Cost Accounting Practices clause in lieu of the CAS clause.

* The offeror hereby claims an exemption from the CAS clause under the provisions of 48 CFR 9903.201-2(b) and certifies that the offeror is eligible for use of the Disclosure and Consistency of Cost Accounting Practices clause because during the cost accounting period immediately preceding the period in which this proposal was submitted, the offeror received less than \$25 million in awards of CAS-covered prime contracts and subcontracts, or the offeror did not receive a single CAS-covered award exceeding \$1 million. The offeror further certifies that if such status changes before an award resulting

from this proposal, the offeror will advise the Contracting Officer immediately.

Caution: An offeror may not claim the above eligibility for modified contract coverage if this proposal is expected to result in the award of a CAS-covered contract of \$25 million or more or if, during its current cost accounting period, the offeror has been awarded a single CAS-covered prime contract or subcontract of \$25 million or more.

III. Additional CAS Applicable to Existing Contracts

The offeror shall indicate below whether award of the contemplated contract would, in accordance with subparagraph a(3) of the CAS clause, require a change in established cost accounting practices affecting existing contracts and subcontracts.

* yes * no

(End of provision)

K-9. 252.242-7006 COST/SCHEDULE STATUS REPORT PLANS (MAR 1997) (Reference 242.1107-70(b))

a. The offeror shall submit a written summary of the management procedures it will establish, maintain, and use in the performance of any resultant contract to comply with the requirements of the clause at 252.242-7005, Cost/Schedule Status Report.

b. If the offeror proposes to use a cost/schedule control system that has been recognized by the cognizant ACO as complying with the earned value management system criteria of DoD 5000.2-R, Mandatory Procedures for Major Defense Acquisition Programs and Major Automated Information System Acquisition Programs, the offeror may submit a copy of the documentation of such recognition instead of the written summary required by paragraph a of this provision.

(End of provision)

(Revised October 14, 1998)

END OF SECTION K

SECTION L

INSTRUCTIONS, CONDITIONS, AND NOTICES TO OFFERORS

L-1. CONTENT OF PROPOSALS (SERVICES) (DFAS L4) (AUG 1996) DEVIATION

a. General. Offerors must submit 10 copies of the technical proposals, five copies of past performance information, and five copies of the cost proposal.

(1) A proposal submitted in response to the solicitation must consist of a technical proposal, with sections for banking operations and delivery of products and services; establish a POC, transition approach, investment strategy, new and relevant products, technologies, and processes (innovation); and a plan to standardize worldwide infrastructure. The technical proposal must not contain any contract price or cost information. The Contractor may state in the technical proposal that the price or cost information requested in Section L-2 Technical Evaluation Criteria, is provided in the cost proposal.

(2) Any data previously submitted in response to another solicitation will be assumed unavailable to the Contracting Officer; and this data must not be incorporated into the technical proposal by reference.

(3) Clarity and completeness of the proposal are of the utmost importance. The proposal must be written in a practical, clear, and concise manner. It must use quantitative terms whenever possible and must avoid qualitative adjectives to the maximum extent possible. Proposal volumes must be internally consistent or the proposal will be considered unrealistic and may be considered unacceptable.

(4) The technical proposal, past performance information, and cost proposal volumes must be submitted in separately sealed envelopes within a sealed package and be clearly marked with the solicitation number. The proposals may have a cover letter (maximum two pages). Each volume and section must have a table of contents. Proposals submitted in response to this solicitation must follow the format below.

b. Specific.

(1) Technical Proposal. Technical proposals may not be classified. (Include all six areas listed in L-2, TECHNICAL EVALUATION CRITERIA.) Technical proposals must be legible, double spaced (personal resumes may be single spaced),

typewritten (on one side only), in a type-size not smaller than 12 point proportional, on paper not larger than 8 1/2 by 11 inches and not to exceed 100 pages for the Technical Proposal and an additional, not to exceed 50 pages, for the attachments and/or exhibits to the Technical Proposal. One inch margins shall be on all sides of the paper. Pages in excess of the aforementioned limitation shall not be read, and the proposal shall be evaluated as if the excess pages did not exist. Some fold-out charts or diagrams may be used within the 50-page limitation for attachments and/or exhibits. Each 8 1/2 by 11 page fold-out will be counted as one page (i.e., one fold-out with two pages will be counted as two 8 1/2 x 11 pages).

(2) Past Performance Information. Offerors shall be responsible for providing past performance information to the contracting officer by ensuring that its applicable customers receive, make five copies, and return all five copies of the Past Performance Questionnaire to the Contracting Officer by the due date established for receipt of offers. If the offeror has no relevant experience, the offeror shall provide a written statement that it possesses no relevant experience directly related or similar past performance (see L-3, PAST PERFORMANCE INFORMATION).

(a) Not more than five contracts, with completed past performance questionnaires, shall be submitted for the prime contractor, and not more than three completed questionnaires shall be submitted by each subcontractor in their proposal. In addition, the contractor is encouraged to provide a list of other contract references which the government reserves the right to call and evaluate in addition to the completed questionnaires reflected above. Past performance information shall be on paper no larger than 8 1/2 by 11 inches. One inch margins shall be on all sides of the paper. Font shall be no smaller than eight font. Single spacing is allowed.

(b) Past Performance Questionnaire responses are not to exceed three pages per relevant contract. The contractor is limited to two pages per contract for those references provided in addition to the required completed questionnaires and its related information.

(3) Cost/Price Proposal. (See L-4, COST EVALUATION CRITERIA). Offerors shall provide the cost/price information as follows:

(a) Five copies of a separate and complete cost or price proposal shall be submitted using SF 1411 or equivalent, Contract Pricing Proposal Cover Sheet, with appropriate supporting attachments. Cost or price proposals submitted on

SF 1411 shall be prepared to satisfy the instructions and format of FAR Table 15-2, Instruction for Submission of a Contract Pricing Proposal. The information furnished must be consistent with the offeror's cost accounting system, adequately cross-referenced, and suitable for detailed analysis. In the event of options, a summary inclusive of all years of total costs shall be prepared, along with a summary of costs by year.

(b) The cost proposal shall be bound separately from the technical proposal and past performance information/questionnaires. The contractor is encouraged to provide a reasonable number of pages for the cost proposal.

(c) In order to assist in the cost analysis review, offerors are encouraged to submit their cost or price proposal on an unprotected 3½" diskette that is compatible with Windows 95-98, Word 97, and Excel 97.

L-2. TECHNICAL EVALUATION CRITERIA

In addition to completing and returning one copy of this complete solicitation, with definitive statements, where applicable, to representations and certifications required by Section K herein, the offeror shall submit ten copies of a separate technical proposal providing:

The offeror shall include a statement of general background, experience, and qualifications. Special mention should be made of related projects including references. The offeror also shall submit a statement of any interpretations, qualifications, or assumptions made by the offeror concerning the proposal. Further, the offeror must demonstrate the ability and experience to handle all aspects of military banking operations representative of products, services, and standards of the retail banking industry in the U.S. for each of the following evaluation criteria and subfactors:

(a) **BANKING OPERATIONS AND DELIVERY OF PRODUCTS AND SERVICES.** This factor evaluates the quality and credibility of the offeror's competency and domain expertise in the banking industry. Offeror must demonstrate the ability to handle all aspects of retail banking operations including strategic planning, data processing, item processing and capacity planning, financial administration, regulatory compliance, telecommunications, bank records, loan administration, bank security, financial paper, electronic fund transfer systems and procurement. The offeror shall advise:

1. How will the bank ensure timely and accurate posting and update of customer checking, savings and money market accounts.

2. How long it will take to render monthly/quarterly customer account statements.

3. Describe methods used to process checks and financial paper. This element includes overseas processing of on-us MBF checks for direct posting to individual accounts and the stateside processing of all other checks (transit and MBF checks) using the Federal Reserve. Offerors may provide alternate stateside check processing proposals. Each proposal must provide for comparison a cost and float analysis demonstrating better efficiency over the Federal Reserve and at lower costs.

4. Float Management. Offeror must explain policies and procedures utilized to reduce and control uncollected fund costs (amounts in float). This includes the ability to take corrective action to minimize float costs, the ability to analyze and explain changes and trends in float, the ability to monitor and report float, the ability to identify and account for sources of float, and the ability to compute the cost of float.

5. Management of Staffing Levels. Offeror must explain techniques and strategies used to match business volumes and requirements within proposed staffing levels.

6. Risk Management. Offeror must provide a copy of their FDIC rating, and explain the basis for the rating.

7. Quality Control. Offeror must demonstrate quality assurance programs and policies to ensure service quality is a continuing objective of the organization.

8. Expertise in managing foreign currencies. Offeror must demonstrate the ability to manage foreign currency positions within manageable risk.

9. Quality of Key Personnel. Offeror must submit a copy of statements of general background, experience, and qualifications (resumes) for proposed key management personnel that will lead the OMBP within CONUS and overseas.

10. Customer Service. Offeror must provide plan for implementing customer-focused programs to generate information that will be used to refine and enhance overseas banking services. Plan must include tools, processes, services,

and products. In addition, the plan must address interaction with the local military community to address banking needs.

11. Employee Development Programs. Offeror must provide a training plan to ensure employees remain current and knowledgeable of products and services. This plan must include customer relations training.

12. Loan Processing. Offeror must provide plan for a competitive loan program which addresses quality and growth.

(b) ESTABLISH PERMANENT OPERATIONS CENTER. With this contract, the government is establishing a consolidated POC for the OMBP. The location selected will be disclosed in an amendment to the RFP. The Contractor selected to operate the POC will establish operations as well as office space for all the key managers and staff to run the POC. No additional funding will be allowable for facility or office space outside the POC. The government will provide a government-furnished facility and the equipment the selected Contractor and all future contractors will operate out of. To be housed at this location will be the bank's home office (key managers) and all backroom support functions. The government is not soliciting alternative approaches to the POC. Potential bidders must be willing to conform to this requirement. No counter-proposals will be reviewed by the government. Offerors are required to provide staffing and equipment requirements along with an organizational chart with narrative of job functions and a floor plan with square footage requirements. Floor plan will be for modular furniture. Executive office requirements will need to be identified. In addition to special security requirements, all other office configuration needs (i.e., conference room and storage requirements) will need to be identified. The government will provide for building maintenance and janitorial services. Technical support for personal computers, software, and hardware will not be provided by the government.

(c) TRANSITION APPROACH. This factor evaluates the thoroughness of the offeror's approach for ensuring a transition between contract efforts that minimizes or eliminates operational disruption to the customer. Offerors must submit a plan to assume operations for Section B, CLINs 0001 through 0004 for which an offer is submitted (applicable only to a nonincumbent). However, the incumbent Contractor must submit a transition plan to move all OMBP operations from the current location to the government POC. The government reserves the right to reject an otherwise technically acceptable offer due to an unacceptable transition plan. All offerors shall:

1. Demonstrate the availability of qualified top management resources to direct contract activities.

2. Provide a detailed transition plan (with associated timelines) that identifies all critical milestone activities and subtasks necessary for a nondisruptive transition with their proposal. The plan should specifically explain how the offeror will successfully complete these milestones and activities. Transition proposal(s) cannot exceed 6 months or 180 days to accomplish. (Note: Actual transition start date will be determined by the Contracting Officer following contract award.)

3. Provide a plan to retain MBF employees and, where appropriate, local managers. Labor laws and union agreements within overseas areas dictate the retention of most foreign national employees between contractors. This information is available upon request from the Contracting Officer, if needed.

4. Provide a plan to retain or offer an alternative plan for all major processes and procedures that directly affect customer relationships and financial administration.

5. Provide a plan with complete costs for programming and data conversion to support the systems in-place within the OMBP.

(d) INVESTMENT STRATEGY. This factor evaluates the quality and effectiveness of the offeror's proposed strategy for utilizing investable balances to maximize earnings in low-risk investments. Offeror must demonstrate the ability to handle all aspects of bank funds management to include investment portfolio management, risk and profitability, asset/liability management, managing liquidity, and spread management.

1. Offeror's are required to provide alternative investment diversification strategy proposals with related administration costs and risk assessment. Proposals should include potential incentive provisions for the government to consider for outstanding investment portfolio management and earnings. This element will be weighted during the technical evaluation of each offeror's proposal.

2. Below is the current policy used within the OMBP for investment of funds (investable balance). Offerors need to use this investment strategy in completing their cost proposal.

a. No less than 30 percent of the net investable balance shall be invested in Federal funds (overnight) placements.

b. No more than 70 percent of the net investable balance shall be invested in U.S. Government or U.S. Government-backed investments or securities with maturity dates of 2 or more days. However, to the extent that, in accordance with 3 or 4 below, any portion of the net investable balance is invested in investments or securities with maturity dates in excess of 182 days, the total percent of the net investable balance that may be invested with maturity dates of from 2 days to 182 days shall be reduced by the percentage of such amounts of the net investable balance that are invested in investments or securities with maturity dates in excess of 182 days.

3. No more than 35 percent of the net investable balance shall be invested in U.S. Government or U.S. Government backed investments or securities with maturity dates in excess of 182 days.

4. The Program Office shall be given 10 days advance notice prior to the Contractor investing any portion of the net investable balance in U.S. Government or U.S. Government-backed investments or securities with maturity dates in excess of 365 days, or that extend beyond the term of the contract.

5. The percentage invested in securities with maturities that are overnight, 2 days to 182 days, and over 182 days shall be deemed to be in compliance with the provisions of (a) through (d) above if, on the date such amounts are invested, all such percentages are in compliance with the provisions of (a) through (d) above.

(e) PROPOSAL OF NEW AND RELEVANT PRODUCTS, TECHNOLOGIES, AND PROCESSES (INNOVATION). This factor evaluates the quality of the offeror's approach to introducing new and relevant technologies that will provide expanded service options and products to the customer, streamline operations, improve data flow, reduce costs while maintaining full compliance to U.S. Banking Regulations and host-country laws. The offeror should include any specific innovative ideas, plans or proposals to introduce and improve products and services, increase revenues, or decrease costs of the military banking program, or a combination of such actions. Products and services shown in Section C are the minimum desired innovative suggestions. New ideas for products and services suggested by the offeror that exceed the minimum products and services identified in Section C are solicited. All innovative suggestions presented in

alternative proposals, must, at a minimum, identify related revenues, costs and specific charges, such as fees, rates, and percentages for those products and services, and the offeror's experience in the management and operation of the technology along with projected milestones to implement. At a minimum, the following technologies or products to support the OMBP are required to be addressed in the offeror's proposal:

1. Web banking
2. Imaging
3. Credit card
4. Full range of investment products
5. Worldwide OMBP telecommunications upgrade proposal

(f) PLAN TO STANDARDIZE WORLDWIDE INFRASTRUCTURE. This factor evaluates the offeror's technical and programmatic approach for strategic migration of existing OMBP operations to a standardized worldwide infrastructure. Proposals will include, at a minimum, costs, the offeror's experience in the management and operation of the technology along with projected milestones to implement:

1. Teller system
2. General ledger
3. Customer service
4. Property Book

L-3. PAST PERFORMANCE INFORMATION

a. The offeror shall describe its past performance on directly related or similar Federal, State and local government, and private contracts and subcontracts it has held within the last 5 years or which have been in progress for at least 1 year which are of similar scope, magnitude, and complexity to that which is detailed in the RFP. (The information must be clear whether the work by the offeror was done as a prime contractor or a subcontractor on the effort). Offerors who describe similar contracts and subcontracts shall provide a detailed explanation demonstrating the similarity of the contracts to the requirements of the RFP.

b. Contracts submitted to validate past performance shall be chronologically consecutive and need not include any contracts below the dollar thresholds listed below:

(1) Offeror as prime or subcontract >\$1 million

(2) Offeror's proposed subcontractor >\$100,000

c. Offerors shall submit past performance information on proposed subcontractors who are to perform 20 percent or more of the proposed contract amount. Subcontractor past performance must be relevant to the work required under this RFP and to the work to be subcontracted.

Note: If the prime contractor or its subcontractors have no past performance history in the requisite contract amount, the offeror may submit information on past performance at lower dollar levels.

d. Offerors shall be responsible for providing past performance information to the contracting officer by ensuring that its applicable customers receive and return the Past Performance Questionnaire to the Contracting Officer by the due date established for receipt of offers. The completed Past Performance Questionnaire shall be submitted in the following manner:

(1) All of the Past Performance Questionnaires shall be submitted with the offeror's proposal in separately sealed government or commercial envelopes which have been provided by the government or commercial reference. The government and commercial references may also fax the completed questionnaire to DFAS at (614) 693-4348, Attn: Cheryl Marquez. For classified contracts, the completed questionnaires are to be faxed by the agency by calling the following number (614) 693-0014 and stating that the fax is for Mr. Roger Luckeydoo. The phone call must precede the fax to allow the fax to be equipped to receive classified material. A "sanitized" questionnaire will then be forwarded to DFAS-HQ/ASO.

(2) Each questionnaire shall have the individual evaluators phone number and signature.

e. Failure to submit the completed Past Performance Questionnaires by the due date shall result in the rejection of the offer unless the offeror has certified that it has no relevant, directly related or similar past performance experiences. In the event that an offeror's customers are not cooperative in furnishing the required information, the Contractor must demonstrate that an earnest attempt was made to

collect the required information. The certification indicating no past performance shall be in a separately sealed envelope clearly marked with the solicitation number and accompanied with the RFP response.

f. The offeror shall submit a list of customers who will be receiving the Past Performance Questionnaire. The customer list shall contain the following material:

(1) Contract number(s) and type of contract;

(2) Procuring agency and name of reference point(s) of contact (at least two, but not to exceed three) to include the current Contracting Officer and Contracting Officer's Technical Representative, and telephone number(s) and fax number(s) at the telephone and fax numbers at the Federal, State, Local government or commercial entity for which the contract was performed;

(3) Dollar value of the contract or subcontract;

(4) Period of performance;

(5) Detailed description of the work performed;

(6) Relevancy of the contract to this proposal requirement;

g. The Prime Contractor shall address the following six paragraphs and each subcontractor shall address items 2, 4, and 5 in the paragraph format as shown below. Information shall be provided in a brief and concise manner and shall correlate to the referenced contract identified. Overall, clear statements should be made describing whether the contract was completed on time, with a quality product/service conforming to the contract, without any degradation in performance or customer satisfaction. As a result of the questionnaire, and in conjunction with any other information obtained, the government will evaluate the offeror's Technical Performance History, Contract Execution History, Cost Management, and Termination History.

(Prime) Item 1: How does the submitted references show the Prime's performance as a prime or subcontractor for a contract of similar size and scope and the same type of services being solicited under RFP MDA210-00-XXXX.

(Team) Item 2: Explain offeror's history under this contract of reasonable and cooperative behavior, to include offeror's business like concern for the interests of the customer.

(Prime) Item 3: Explain how the offeror's overall management control of any subcontractor(s) for this contract and how this relationship provided quality service to the customer.

(Team) Item 4: Explain the quality technical support the Offeror provided to the customers under this contract and the offeror's ability to face challenges resulting from such an effort.

(Team) Item 5: Demonstrate how the offeror provided solutions to resolve any problems encountered for the reference contract.

(Prime) Item 6: Explain how the offeror contained and forecast costs under this contract.

h. The number, type, frequency, duration, and impact of any quality, delivery, or cost problems in performing the contract, the corrective action taken, if any, and the effectiveness of the corrective action.

L-4. COST EVALUATION CRITERIA

a. The offeror's cost proposal should include, but not necessarily be limited to, the following:

(1) A detailed estimate of income for CLINs 0001 through 0048, if applicable.

(2) Identification of all costs related to any subcontracts; e.g., ADP service bureau arrangements, travelers checks, money orders, check clearing, courier services, etc.

(3) Identification of charges for those products identified in accordance with the provisions of Sections C and J.

(4) Identification of capital budget items/amounts for FY 2001, along with estimated costs and justification for any specific items included.

(5) Identification of nonrecurring costs for proposed new locations; e.g., start-up costs and locations identified for base closure or reduced operations.

(6) Submission of offeror's most recently published and audited financial report.

(7) Submission of offeror's current published company compensation policy, unless previously submitted, in which case its submission date must be referenced in the Cost Proposal.

(8) Submission of offeror's current list of insurance coverages (e.g., bankers bond, liability, etc.) deemed necessary for the program, including the type of insurance, limits of coverage, and deductibles; plus changes, if any, proposed for the program.

(9) Submission of offeror's cost estimates related to proposed improvements, if any, to facilities in areas specified in Attachment J.

(10) Submission of offeror's sensitivity analysis on expenses denominated in local currency, for all CLINS.

b. Offerors shall provide a separate cost proposal for each desired CLIN identified in Section B. Fee figure proposed shall be computed on the basis of total estimated cost for each CLIN. Proposed direct and indirect cost must be properly chargeable, auditable, and trackable. Quoted costs shall be the offeror's best estimate of the total cost of performance.

c. Offerors shall propose a fixed-fee amount which, as the term applies, is an amount which, once negotiated, does not vary with actual cost. Items typically excluded from the fixed-fee base include expenses associated with: travel and transportation, equipment acquisitions (by lease or purchase), facility renovations, interest, and losses or shortages.

d. Offerors shall address the elements of income and expense for each CLIN.

e. The offer's proposed cost will be assessed to determine if it is reasonable, complete, and realistic. These areas are defined as follows:

(1) Reasonableness: The proposal will be evaluated using appropriate price/cost analysis techniques to determine if the offeror's proposed prices are consistent in nature and amount with what a prudent person would be willing to recognize for the same or similar products and/or services under comparable acquisition circumstances. Reasonableness may be established by adequate price competition, if determined to exist.

(2) Completeness: The proposal will be evaluated to determine the extent to which proposed prices are consistent with the types, quantities, qualities, and performance/delivery schedules of all products and/or services being proposed in all

volumes of the proposal; the offeror's established and/or generally accepted estimating and accounting policies, practices, and procedures.

(3) Realism: The proposal will be evaluated to determine the realism of the offeror's proposed price. In evaluating realism, the government will assess the following from the offeror's proposal:

(a) Are proposed costs realistic for the work to be performed?

(b) Do proposed costs reflect a clear understanding of the requirements?

(c) Are costs reflected in the proposal consistent with the various elements of the offeror's technical proposal?

L-5. MISCELLANEOUS PROPOSAL INSTRUCTIONS

a. Products and Services. For the purposes of this solicitation, the offeror shall base its proposal on those products and services and miscellaneous provisions identified in Section C.

b. Charge for Products and Services. For the purposes of this solicitation, the offeror shall use the charges, fees, and rates located at Section J, Attachment 7.

c. Reporting Requirements. For the purposes of this solicitation, the offeror shall base its proposal on the reporting requirements identified in Sections F. Alternate proposals to improve both management and financial reporting is encouraged.

d. Locations of MBFs and Supporting Activities. For purposes of this solicitation, the offeror shall provide a proposal based on the locations set forth in Section J-1. Offerors may request the latest list of locations from the Program Office prior to submission of a final proposal.

e. Collection of Bad Debts. For the purposes of this solicitation, the offeror shall base its proposal on the collection requirements and procedures identified in Sections C and G. Actual bad debt losses will be reimbursed by the government in accordance with Section C. Amounts for bad debt loss will not be included in the offeror's proposal.

L-6. EVALUATION OF OPTION YEARS

The very nature of the military banking program requires continuity of services. The government will evaluate offers for award purposes by adding total price for all options to the total price for the basic requirement.

L-7. ACCEPTANCE OF PROPOSALS

a. The government reserves the right to consider as acceptable only those proposals submitted in accordance with all technical requirements set forth or referenced in this solicitation and which demonstrate an understanding of the problems involved and the scope of the project.

b. The government reserves the right to reject, as unacceptable, proposals deleting or altering technical requirements which are considered by the government to be beyond the state-of-the-art or impossible of attainment.

L-8. GOVERNMENT FURNISHED PROPERTY

a. The government contemplates furnishing all real property facilities, office furniture, and office equipment necessary to provide banking products and services specified in the contract.

b. All office furniture and office equipment currently in use in the MBFs is determined to be government property, with the exception of contractor vehicles and certain bank-owned protectograph machines.

c. Day-to-day supply items necessary to provide banking products and services will not be furnished.

d. Offerors shall set forth in its technical proposal a listing of additional furniture and office or automation equipment required, if any. The need for such additional furniture and equipment shall be fully justified.

L-9. PREPROPOSAL CONFERENCE

PREPROPOSAL CONFERENCE (DFAS L11) (JAN 1994)

(1) A preproposal conference for all prospective offerors is on February 17, 2000, at 10 a.m. EST at the DFAS Columbus Conference Center, Building 21 (address below).

(2) All prospective offerors are urged to attend this conference. To make the conference as productive as possible, offerors are requested to submit questions pertaining to this procurement in writing (by mail, E-mail or by facsimile). Offerors are encouraged to submit questions no later than February 3, 2000, to allow development of answers. Questions by mail must be submitted to:

DFAS Columbus Center
Attn: DFAS-HQ/ASO (Ms. Cheryl Marquez)
3990 East Broad Street, Building 21
Columbus, OH 43213-1152

Questions by E-mail or facsimile must be submitted to:

E-mail address is: cheryl.marquez@dfas.mil.

The facsimile number is (614) 693-4348.

(3) Failure of a prospective offeror to submit questions or to attend the conference will be construed to mean the offeror fully understands all the requirements of the solicitation. In no event will failure to attend the preproposal conference constitute grounds for a claim after award of the contract.

(4) Remarks and explanations made at this conference shall not qualify the terms and conditions of the solicitation, nor are they to be construed as changes to the solicitation or specifications. Changes to the terms and conditions, if any, shall be made in the form of a formal written amendment to the solicitation. Questions and answers from the conference will be provided to all potential offerors for informational purposes only.

(5) Offerors shall contact Ms. Cheryl Marquez at (614) 693-4338, no later than February 15, 2000, with the name(s) of the offeror's representative(s) who will attend the conference.

(6) The current operator of the MBFs covered by this solicitation is Bank of America, N.A. Bank of America, N.A. operates facilities in Germany, United Kingdom, the Netherlands, Iceland, Diego Garcia, Korea, Cuba, Japan, Okinawa, and Honduras.

**L-10. 52.252-1 SOLICITATION PROVISIONS INCORPORATED BY
REFERENCE (FEB 1998)**

This solicitation incorporates one or more solicitation provisions by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. The offeror is cautioned that the listed provisions may include blocks that must be completed by the offeror and submitted with its quotation or offer. In lieu of submitting the full text of those provisions, the offeror may identify the provision by paragraph identifier and provide the appropriate information with its quotation or offer. Also, the full text of a solicitation provision may be accessed electronically at this address:

<http://farsite.hill.af.mil>

(End of provision)

L-11. 52.204-6 DATA UNIVERSAL NUMBERING SYSTEM (DUNS) NUMBER

**L-12. 52.211-14 NOTICE OF PRIORITY RATING FOR NATIONAL
DEFENSE USE (SEP 1990) (Reference 11.604(a))**

**L-13. 52.215-1 INSTRUCTIONS TO OFFERORS - COMPETITIVE
(OCT 1997) ALTERNATE I
(Reference 15.209(a)(1))**

**L-14. 52.215-16 FACILITIES CAPITAL COST OF MONEY (OCT 1997)
(Reference 15.408(h))**

**L-15. 52.222-24 PREAWARD ON-SITE EQUAL OPPORTUNITY COMPLIANCE
EVALUATION (FEB 1999)
(Reference 22.810(c))**

**L-16. 52.222-46 EVALUATION OF COMPENSATION FOR PROFESSIONAL
EMPLOYEES (FEB 1993)
(Reference 22.1103)**

**L-17. 52.237-1 SITE VISIT (APR 1984)
(Reference 37.110(a))**

L-18. 52.237-8 RESTRICTION ON SEVERANCE PAYMENTS TO FOREIGN NATIONALS (OCT 1995)
(Reference 37.113-2(a))

L-19. 52.237-10 IDENTIFICATION OF UNCOMPENSATED OVERTIME (OCT 1997)
(Reference 37.115-3)

L-20. 52.252-5 AUTHORIZED DEVIATIONS IN PROVISIONS (APR 1984)
(Reference 52.107(e))

As prescribed in 52.107(e), insert the following provision in solicitations that include any FAR or supplemental provision with an authorized deviation:

Whenever any FAR or supplemental provision is used with an authorized deviation, the Contracting Officer shall identify it by the same number, title, and date assigned to the provision. When it is used without deviation, include regulation name for any supplemental provision, except that the Contracting Officer shall insert "(DEVIATION)" after the date of the provision. Authorized Deviations in Provisions (Apr 1984)

(a) The use in this solicitation of any FAR (48 CFR Chapter 1) provision with an authorized deviation is indicated by the addition of "(DEVIATION)" after the date of the provision.

(b) The use in this solicitation of any Air Force Acquisition Regulation Supplement and Fleet Industrial Support Center (FISC) Navy Regulation Supplement provision with an authorized deviation is indicated by the addition of "(DEVIATION)" after the name of the regulation.

(End of provision)

L-21. 52.233-2 SERVICE OF PROTEST (AUG 1996)
(Reference 33.106(a))

As prescribed in 33.106, insert the following provision:

Service of Protest (Aug 1996)

(1) Protests, as defined in Section 33.101 of the FAR, that are filed directly with an agency, and copies of any protests that are filed with the General Accounting Office (GAO), shall be served on the Contracting Officer (addressed as follows) by obtaining written and dated acknowledgment of receipt from:

DFAS Columbus Center
Attn: DFAS-HQ/ASO (Ms. Cheryl Marquez)
3990 East Broad Street, Building 21
Columbus, OH 43213-1152

(2) The copy of any protest shall be received in the office designated above within 1 day of filing a protest with the GAO.

(End of provision)

**L-22. 52.215-20 REQUIREMENTS FOR COST OR PRICING DATA
OR INFORMATION OTHER THAN COST OR COST OR
PRICING DATA (OCT 1997)
ALTERNATE II (OCT 1997) AND ALTERNATE III
(OCT 1997) (Reference 15.408(1))**

As prescribed in 15.408(1), insert the following provision:

Requirements for Cost or Pricing Data or Information
Other Than Cost or Pricing Data (Oct 1997)

(a) Exceptions from cost or pricing data.

1. In lieu of submitting cost or pricing data, offerors may submit a written request for exception by submitting the information described in the following subparagraphs. The Contracting Officer may require additional supporting information, but only to the extent necessary to determine whether an exception should be granted, and whether the price is fair and reasonable.

a. Identification of the law or regulation establishing the price offered. If the price is controlled under law by periodic rulings, reviews, or similar actions of a governmental body, attach a copy of the controlling document unless it was previously submitted to the Contracting Office.

b. Commercial item exception. For a commercial item exception, the offeror shall submit, at a minimum, information on prices at which the same item or similar

items have previously been sold in the commercial market that is adequate for evaluating the reasonableness of the price for this acquisition. Such information may include:

(i) For catalog items, a copy of or identification of the catalog and its date, or the appropriate pages for the offered items, or a statement that the catalog is on file in the buying office to which the proposal is being submitted. Provide a copy or describe current discount policies and price lists (published or unpublished); e.g., wholesale, original equipment manufacturer, or reseller. Also, explain the basis of each offered price and its relationship to the established catalog price, including how the proposed price relates to the price of recent sales in quantities similar to the proposed quantities;

(ii) For market-priced items, the source and date or period of the market quotation or other basis for market price, the base amount, and applicable discounts. In addition, describe the nature of the market;

(iii) For items included on an active Federal Supply Service Multiple Award Schedule contract, proof that an exception has been granted for the scheduled item.

2. The offeror grants the Contracting Officer or an authorized representative the right to examine, at any time before award, books, records, documents, or other directly pertinent records to verify any request for an exception under this provision, and the reasonableness of price. For items priced using catalog or market prices, or law or regulation, access does not extend to cost or profit information or other data relevant solely to the offeror's determination of the prices to be offered in the catalog or marketplace.

(b) Requirements for cost or pricing data. If the offeror is not granted an exception from the requirement to submit cost or pricing data, the following applies:

1. The offeror shall prepare and submit cost or pricing data and supporting attachments in accordance with Table 15-2 of FAR 15.408.

2. As soon as practicable after agreement on price, but before contract award (except for unpriced actions such as letter contracts), the offeror shall submit a Certificate of Current Cost or Pricing Data, as prescribed by FAR 15.406-2. Alternate II (Oct 1997)

(c) When the proposal is submitted, also submit one copy each to:

1. the Administrative Contracting Officer,
and

2. the Contract Auditor.

Alternate III (Oct 1997). As prescribed in 15.408(1), add the following paragraph (c) to the basic provision (if Alternate II is also used, redesignate the following paragraph as paragraph (d). Submit the cost portion of the proposal via electronic media to cheryl.marquez@dfas.mil

(End of provision)

L-23. 52.215-21 REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA-MODIFICATIONS (OCT 1997)

Alternate II (Oct 1997) and Alternate III
(Oct 1997)
(Reference 15.408(m))

As prescribed in 15.408(m), insert the following clause:

Requirements for Cost or Pricing Data or Information
Other Than Cost or Pricing Data--Modifications (Oct 1997)

(a) Exceptions from cost or pricing data.

1. In lieu of submitting cost or pricing data for modifications under this contract, for price adjustments expected to exceed the threshold set forth at FAR 15.403-4 on the date of the agreement on price or the date of the award, whichever is later, the Contractor may submit a written request for exception by submitting the information described in the following subparagraphs. The Contracting Officer may require additional supporting information, but only to the extent necessary to determine whether an exception should be granted, and whether the price is fair and reasonable.

a. Identification of the law or regulation establishing the price offered. If the price is controlled under law by periodic rulings, reviews, or similar actions of a governmental body, attach a copy of the controlling document, unless it was previously submitted to the Contracting Office.

b. Information on modifications of contracts or subcontracts for commercial items.

(i) If:

(aa) the original contract or subcontract was granted an exception from cost or pricing data requirements because the price agreed upon was based on adequate price competition or prices set by law or regulation, or was a contract or subcontract for the acquisition of a commercial item; and

(bb) the modification (to the contract or subcontract) is not exempted based on one of these exceptions, then the Contractor may provide information to establish that the modification would not change the contract or subcontract from a contract or subcontract for the acquisition of a commercial item to a contract or subcontract for the acquisition of an item other than a commercial item.

(ii) For a commercial item exception, the Contractor shall provide, at a minimum, information on prices at which the same item or similar items have previously been sold that is adequate for evaluating the reasonableness of the price of the modification. Such information may include:

(aa) For catalog items, a copy of or identification of the catalog and its date, or the appropriate pages for the offered items, or a statement that the catalog is on file in the buying office to which the proposal is being submitted. Provide a copy or describe current discount policies and price lists (published or unpublished); e.g., wholesale, original equipment manufacturer, or reseller. Also, explain the basis of each offered price and its relationship to the established catalog price, including how the proposed price relates to the price of recent sales in quantities similar to the proposed quantities.

(bb) For market-priced items, the source and date or period of the market quotation or other basis for market price, the base amount, and applicable discounts. In addition, describe the nature of the market.

(cc) For items included on an active Federal Supply Service Multiple Award Schedule contract, proof that an exception has been granted for the schedule item.

(dd) The Contractor grants the Contracting Officer or an authorized representative the right to examine, at any time before award, books, records, documents, or

other directly pertinent records to verify any request for an exception under this clause, and the reasonableness of price. For items priced using catalog or market prices, or law or regulation, access does not extend to cost or profit information or other data relevant solely to the Contractor's determination of the prices to be offered in the catalog or marketplace.

(b) Requirements for cost or pricing data. If the Contractor is not granted an exception from the requirement to submit cost or pricing data, the following applies:

1. The Contractor shall submit cost or pricing data and supporting attachments in accordance with Table 15-2 of FAR 15.408.

2. As soon as practicable after agreement on price, but before award (except for unpriced actions), the Contractor shall submit a Certificate of Current Cost or Pricing Data, as prescribed by FAR 15.406-2.

Alternate II (Oct 1997)

(c) When the proposal is submitted, also submit one copy each to:

- and
1. the Administrative Contracting Officer,
 2. the Contract Auditor.

Alternate III (Oct 1997)

(d) Submit the cost portion of the proposal via electronic media to cheryl.marquez@dfas.mil

(End of clause)

L-24. 52.216-1 TYPE OF CONTRACT (APR 1984)
(Reference 16.105)

The government contemplates award of an INDEFINITE QUANTITY CONTRACT with CPFF *delivery/task orders resulting from this solicitation. *The government reserves the right to issue

firm-fixed-price, CPAF, and cost-plus-incentive-fee delivery/task orders as negotiated with the awardee.

(End of provision)

**L-25. 252.204-7001 COMMERCIAL AND GOVERNMENT ENTITY (CAGE)
CODE REPORTING (DEC 1991)**

a. The offeror is requested to enter its CAGE code on its offer in the block with its name and address. The CAGE code entered must be for that name and address. Enter CAGE before the number.

b. If the offeror does not have a CAGE code, it may ask the Contracting Officer to request one from the Defense Logistics Services Center (DLSC). The Contracting Officer will:

(1) Ask the Contractor to complete Section B of a DD Form 2051, Request for Assignment of a CAGE Code;

(2) Complete Section A and forward the form to DLSC;
and

(3) Notify the Contractor of its assigned CAGE code.

c. Do not delay submission of the offer pending receipt of a CAGE code.

(End of provision)

**L-26. REQUIRED CENTRAL CONTRACTOR REGISTRATION,
DFARS 252.204-7004 (MAR 1998)**

a. Definitions as used in this clause:

(1) "Central Contractor Registration (CCR) database" means the primary DoD repository for Contractor information required for the conduct of business with DoD.

(2) "Data Universal Numbering System (DUNS) number" means the 9-digit number assigned by Dun and Bradstreet Information Services to identify unique business entities.

(3) "Data Universal Numbering System +4 (DUNS+4) number" means the DUNS number assigned by Dun and Bradstreet plus a 4-digit suffix that may be assigned by a parent (controlling) business concern. This 4-digit suffix may be assigned at the discretion of the parent business concern for such purposes as

identifying subunits or affiliates of the parent business concern.

(4) "Registered in the CCR database" means that all mandatory information, including the DUNS number or the DUNS+4 number, if applicable, and the corresponding CAGE code, is in the CCR database; the DUNS number and the CAGE code have been validated; and all edits have been successfully completed.

b. By submission of an offer, the offeror acknowledges the requirement that a prospective awardee must be registered in the CCR database prior to award, during performance, and through final payment of any contract resulting from this solicitation, except for awards to foreign vendors for work to be performed outside the U.S.

(1) The offeror shall provide its DUNS or, if applicable, its DUNS+4 number with its offer, which will be used by the Contracting Officer to verify the offeror is registered in the CCR database.

(2) Lack of registration in the CCR database will make an offeror ineligible for award.

(3) DoD has established a goal of registering an applicant in the CCR database within 48 hours after receipt of a complete and accurate application via the internet. However, registration of an applicant submitting an application through a method other than the internet may take up to 30 days. Therefore, offerors that are not registered should consider applying for registration immediately upon receipt of this solicitation.

c. The Contractor is responsible for the accuracy and completeness of the data within the CCR, and for any liability resulting from the government's reliance on inaccurate or incomplete data. To remain registered in the CCR database after the initial registration, the Contractor is required to confirm on an annual basis that its information in the CCR database is accurate and complete.

d. Offerors and contractors may obtain information on registration and annual confirmation requirements by calling (888) 227-2423, or via the internet at <http://ccr.edi.disa.mil>.

L.27. AVAILABILITY OF EQUIPMENT/SOFTWARE, (DFAS L2) (OCT 1992)

The equipment/software proposed must have been formally announced for marketing purposes on or before the closing date of the solicitation and/or be capable of a demonstration as specified within this solicitation.

L-28. NEWS RELEASE

News releases pertaining to this acquisition shall not be made without prior approval of the Contracting Officer.

L-29. PREAWARD SURVEY

If your offer is one of those favorably considered, a survey team may contact your facility for the purpose of determining your financial and technical ability to perform.

L-30. RETURN OF OFFERS

a. Offerors are encouraged to return offers via mail. If the offer is mailed, it is important that the offer is sealed and the outer envelope or wrapping of the offer is addressed as shown below. (NOTE: Failure to so mark the outer cover could be the cause of the offer being misdirected and received too late at the required destination as shown below.)

FROM: Offeror's Return Address

TO: DFAS Columbus Center
Attn: DFAS-HQ/ASO (Ms. Cheryl Marquez)
3990 East Broad Street, Building 21
Columbus, OH 43213-1152

Solicitation Number: MDA210-00-R-CPB3

Hour and Date: 4:30 p.m., March 13, 2000

c. Handcarried offers will be delivered to the secured proposal box located at the following address:

DFAS Columbus Center
Attn: DFAS-HQ/ASO (Ms. Cheryl Marquez)
3990 East Broad Street, Bldg 11, Section 6
Columbus, OH 43213-1152

The handcarried offers must be delivered to the above location by the time and date specified in SF 33, Block 9.

Offers received at destination after time and date specified for receipt will be considered LATE. The burden of timely receipt is upon the offeror.

L-31. CERTIFICATION OF COST OR PRICING DATA

Section J of this solicitation contains two copies of a Certificate of Current Cost of Pricing Data as set forth in FAR 15.406-2. If a resulting contract meets the criteria expressed in FAR 15.403-4, and for submission of certified cost of pricing data, the Contractor shall be required to submit one completed certificate as soon as practicable after agreement is reached on the contract price.

L-32. SF 33, SOLICITATION, OFFER, AND AWARD

The SF 33, Solicitation, Offer, and Award, is being used for this solicitation. This form is used by the government as a request for proposal and, upon submission by the offeror, it becomes the offeror's proposal. As such, it is an "offer" which can be unilaterally accepted by the Contracting Officer and awarded on said SF 33. The offer and acceptance form the contract; therefore, the following points must be strictly adhered to by the offeror in submitting the proposal:

(1) The SF 33 must be executed by a representative of the offeror authorized to commit the offeror to contractual obligations. The authority to sign a proposal, but not an offer, subject to unilateral acceptance and award, is not sufficient authorization to sign the SF 33.

(2) UNDER NO CIRCUMSTANCES MAKE ALTERATIONS OR CHANGES TO THE SF 33 OR THE RELATED PAGES WHICH ARE A PART OF THE ENCLOSED REQUEST FOR PROPOSAL AND PROPOSAL PACKET. Complete those parts which require items such as price, place of performance, etc., when such items are called for in the enclosed request for proposal. A place is provided to insert such information.

L-33. ELECTRONICALLY SUBMITTED OFFERS

Electronically submitted offers, including mailgrams, are not authorized for this solicitation. Telegraphic and facsimile bids are not authorized.

L-34. FIXED FEE

a. Except as may be explicitly provided for elsewhere in this contract, compensation to the Contractor shall be limited to a fixed fee.

b. In accordance with Section G entitled "Payment of Fixed-Fee," a fixed fee shall be paid in equal monthly installments.

c. In addition to the fixed fee provided for in paragraph a above, the Contractor shall be entitled to such award fees as may be agreed to between the Contracting Officer and the Contractor in advance of a fiscal year.

L-35. SMALL BUSINESS SUBCONTRACTING PLANS (DFAS L13) (FEB 1993)

a. FAR 52.219-9 requires that the offeror, upon request by the Contracting Officer, shall submit a subcontracting plan, where applicable, which addresses separately subcontracting with small business concerns and small disadvantaged business concerns, and which shall be included in and made a part of the resultant contract.

b. Specific subcontracting plan requirements are listed in FAR 19.704. Plans which do not address all items listed therein are not acceptable.

c. All Contractors required to submit subcontracting plans should have both percentage and dollar goals for subcontracting with small business concerns and small disadvantaged business concerns that are positive (e.g., greater than zero). For small disadvantaged business concerns, the percentage goal should be a minimum of 5 percent.

L-36. INCURRING COSTS

The government is not liable for any costs incurred by the offerors in submitting offers in response to this solicitation.

L-37. INSPECTION OF SITE (JAN 1992)

For inspection of overseas military banking facilities, contact Mr. Keith Westby at (614) 693-4344.

L-38. LETTERS OF COMMITMENT - KEY PERSONNEL (DFAS L14)

(JAN 1994)

a. All proposed key personnel require written, signed (by employee/contingency hire), and dated letters of commitment. The offeror shall provide letters of commitment from current employees that state they: (1) will remain employed by the offeror; and (2) will work on the resultant contract if awarded to the offeror.

b. Letters of commitment must be submitted for contingency hires, defined as persons not currently employed but who have executed a binding letter of commitment for employment with the offeror, if the offeror receives award under subject solicitation. The letter of commitment must reflect agreement on salary, benefits and position. New hires may not be proposed for key personnel. (A new hire is defined as specified or unspecified persons to fill an empty billet who are neither identified as a current employee of the offeror (or proposed subcontractor) nor as a contingency hire.)

**L-39. CONFIRMATION OF PROPOSED KEY PERSONNEL (DFAS L14A)
(SEP 1994)**

The following certificate shall be provided upon request by the Contracting Officer should discussions be required and revised and/or best and final offers be requested:

"I certify that the proposed key personnel are still available for performance under any contract resulting from this solicitation, and that the letters of commitment are still valid. I base this certification on written or oral confirmation which I received, within the past 30 days, from each individual proposed to fill the key personnel requirements. I further certify that I possess copies of written confirmations I received from each individual, and/or a memorandum to the file documenting oral confirmation of that individual's availability.

Date of Certification:

By: (Name and signature of company president)

END OF SECTION L

SECTION M

EVALUATION FACTORS FOR AWARD

M-1. 52.252-1 SOLICITATION PROVISIONS INCORPORATED BY REFERENCE (FEB 1998)

This solicitation incorporates one or more solicitation provisions by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. The offeror is cautioned that the listed provisions may include blocks that must be completed by the offeror and submitted with its quotation or offer. In lieu of submitting the full text of those provisions, the offeror may identify the provision by paragraph identifier and provide the appropriate information with its quotation or offer. Also, the full text of a solicitation provision may be accessed electronically at this address:

<http://farsite.hill.af.mil/>

(End of provision)

M-2. 52.217-5 EVALUATION OF OPTIONS (JULY 1990)

M-3. AWARD--SINGLE AWARD FOR ALL ITEMS (JAN 1992)

Due to the interrelationship of supplies and/or services to be provided hereunder, the government reserves the right to make a single award to the offeror whose offer is considered in the best interest of the government, price, and other factors considered. Therefore, offers proposing less than the entire effort specified herein may be determined to be unacceptable.

M.4. TECHNICAL EVALUATION FACTORS (DFAS M-7) (MAR 1997)

a. The technical proposals will be evaluated to determine the extent of the offeror's understanding of and feasibility/ability to successfully perform the government's requirements.

b. See Section L-2, Technical Evaluation Criteria, for listing of evaluation criteria and subfactors. All technical proposals received will be evaluated as follows:

(1) Banking Operations and Delivery of Products and Services is of predominant importance.

(2) Proposal of New and Relevant Technologies and Plan to Standardize Worldwide Infrastructure are equal in secondary importance.

(3) Followed by, Transition Approach, Establish POC, and Investment Strategy which are given equal consideration.

c. Technical evaluation will be based on adjectival ratings (listed below) with narrative statements providing strengths and weaknesses of each proposal.

d. Scoring Adjective. The following adjectives should be used as general guidance in assessing each technical subcriterion and the technical proposal as a whole for the following evaluation criteria: (1) Banking Operations, (2) Establish POC, (3) Transition Approach, (4) Investment Strategy, (5) Proposal of New and Relevant Technologies and Processes (Innovation), and (6) Plan to Standardize Worldwide Infrastructure.

(1) "Outstanding" - O - Very significantly exceeds most or all solicitation requirements. Response exceeds a "Better" rating. The offeror has clearly demonstrated an understanding of all aspects of the requirements to the extent that timely and highest quality performance is anticipated.

(2) "Better" - B - Fully meets all solicitation requirements and significantly exceed many of the solicitation requirements. Response exceeds an "acceptable" rating. The areas in which the offeror exceeds the requirements are anticipated to result in a high level of efficiency or productivity or quality.

(3) "Acceptable" - A - Meets all solicitation requirements. Complete, comprehensive, and exemplifies an understanding of the scope and depth of the task requirements as well as the offeror's understanding of the government's requirements.

(4) "Marginal" - M - Less than "acceptable." There are some deficiencies in the technical proposal. However, given the opportunity for discussions, the technical proposal has a reasonable chance of becoming at least "acceptable." (Areas of a technical proposal which remain to be "marginal" after "Best and Final" offers shall not be subject to further discussion or revision.) If award is made on initial offers, there will not be

an opportunity for discussions, or a chance to become at least "Acceptable."

(5) "Unacceptable" - U - Technical proposal has many deficiencies and/or gross omissions: Failure to understand much of the scope of work necessary to perform the required tasks; failure to provide a reasonable, logical approach to fulfilling much of the government's requirements; failure to meet many personnel requirements of the solicitation. (When applying this adjective to the technical proposal as a whole, the technical proposal must be so unacceptable in one or more areas that it would have to be significantly revised to attempt to make it other than unacceptable.)

e. In determining the best overall response, technical superiority with the lowest risk will be the most important consideration. Proposed cost will not be point scored and will be subordinate to technical considerations. The Contracting Officer will conduct cost realism analysis in accordance with applicable laws and regulations.

**M.5. EVALUATION OF PAST PERFORMANCE (FISC Navy ALTERNATE
1) (OCT 1995) (MODIFIED)**

a. In relation to the evaluation of other noncost factors, the evaluation of past performance will consider past performance as less important than the technical proposal, but equal to cost.

b. The Contractor shall distribute, field, and submit the Past Performance Questionnaires (Attachment J-13), as stated in clause L.3, and the government will evaluate the completed questionnaires.

c. The government will evaluate the past performance of those offerors who have a reasonable chance of receiving award. This evaluation is separate and distinct from the Contracting Officer's responsibility determination. The assessment of the offeror's past performance will be used to evaluate the relative capability of the offeror and other competitors to successfully meet the requirements of the RFP. Past performance of significant and/or critical subcontractors will be considered to the extent warranted by the subcontractor's involvement in the proposed effort. Past performance of "key personnel", if any, shall not be considered.

d. The prime offerors past performance is more important than the past performance evaluations of the significant/critical subcontractors.

e. The government reserves the right to obtain information for use in the evaluation of past performance from any and all sources including sources outside of the government. Offerors lacking relevant past performance history will receive a neutral rating for past performance. However, the proposal of an offeror with no relevant past performance history, while rated neutral in past performance, may not represent the most advantageous proposal to the government and thus, may be an unsuccessful proposal when compared to the proposals of other offerors. The offeror must provide the information requested above for past performance evaluation or affirmatively state that it possesses no relevant, directly related or similar past performance experience. The government shall not evaluate or consider for award the entire proposal from an offeror which fails to provide the **completed** past performance questionnaires as required in clause L.3 or which fails to assert that it has no relevant, directly related or similar past performance experience.

f. As a result of the questionnaire, and in conjunction with any other information obtained, the government will evaluate the offeror's Technical Performance History, Contract Execution History, Cost Management, and Termination History. The elements used to evaluate the above are included in the past performance questionnaire including the following:

(Prime Only) Item 1 - Prime's present or past relevant performance as a prime contractor or subcontractor in the same or similar type services.

(Team) Item 2 - History of reasonable and cooperative behavior, to include Contractor's business like concern for the interests of the customer.

(Prime Only) Item 3 - Offeror's history in overall management control of their subcontractor(s) and the teaming relationship to provide quality service.

(Team) Item 4 - Quality technical support provided to customers and ability to face challenges resulting from such effort.

(Team) Item 5 - The ability to provide solutions to resolve any problems encountered.

(Prime Only) Item 6 - Record of containing and forecasting costs.

g. Contracting Officers will use the following adjectival definitions as guidelines in evaluating past performance:

(1) NEUTRAL: No relevant past performance available for evaluation. Offeror has asserted that it has no relevant, directly related or similar past performance experience. Proposal receives no merit or demerit for this factor.

(2) OUTSTANDING: No risk anticipated with transition, delivery of a quality product, on time, or of any degradation of performance or lack of customer satisfaction (or cost growth if applicable) based upon offeror's past performance.

(3) BETTER: Very little risk anticipated with transition, delivery of a quality product, on time, or of degradation of performance or lack of customer satisfaction (or cost growth if applicable) based upon the offeror's past performance.

(4) SATISFACTORY: Some potential risk anticipated with transition, delivery of a quality product, on time, and of degradation or lack of customer satisfaction (or cost growth if applicable) based upon the offeror's past performance.

(5) MARGINAL: Significant potential risk anticipated with transition, delivery of a quality product, on time, and of degradation of performance based upon the offeror's past performance. (A rating of marginal does not by itself make the proposal ineligible for award.)

M.6. CONTRACT AWARD - BEST VALUE (DFAS M10) (JAN 1994)

a. The government intends to evaluate proposals and award a contract without discussions with offerors. However, the government reserves the right to conduct discussions if later determined by the Contracting Officer to be necessary. Therefore, each initial offer should contain the offeror's best terms from a cost or price and technical standpoint.

b. Proposals received in response to this solicitation will be evaluated by the DFAS pursuant to the FAR and the DFARS. One contractor will be selected for award on the basis of their proposal being the most advantageous to the government, price and other factors considered.

c. Each technical proposal will be evaluated qualitatively and categorized as *Outstanding*, *Better*, *Acceptable*, *Marginal*, or *Unacceptable* in relation to the evaluation factors set forth in this solicitation. A finding of *Unacceptable* in one technical factor may result in the entire technical proposal being found to be unacceptable. The Past Performance factor will be evaluated qualitatively and categorized as *Neutral*, *Outstanding*, *Better*,

Satisfactory, or Marginal as set forth in Section M entitled "Evaluation of Past Performance."

d. Evaluation of Past Performance is of less importance than the Technical Evaluation Factors, taken as a whole; accordingly the Cost Evaluation Factor is of less importance than the Technical Evaluation Factors, taken as a whole. Both Evaluation of Past Performance and the Cost Evaluation Factor are of equal importance, and thus, should not be ignored. The degree of past performances and/or costs importance will increase with the degree of equality of the proposals in relation to the other Technical Evaluation Factors on which selection is based. Furthermore, costs will be evaluated on the basis of cost realism.

M.7. COST REALISM (DFAS M19) (JAN 1994)

a. Cost realism will be performed as part of the proposal evaluation process. The purpose of this evaluation shall be:

(1) to verify the offeror's understanding of the requirements;

(2) to assess the degree to which the cost/price proposal reflects the approaches and/or risk assessments made in the technical proposal as well as the risk that the offeror will provide the supplies or services for the offered prices/costs; and

(3) assess the degree to which the cost included in the cost/price proposal accurately represents the work effort included in the technical proposal.

b. Proposed costs may be adjusted, for purposes of evaluation, based upon the results of the cost realism evaluation. When this cost realism is performed, the resulting cost realistic cost estimate shall be used in the evaluation of cost.

M.8. RISK ASSESSMENT (DFAS M20) (JAN 1994)

a. Risk assessment may have a negative impact on the technical evaluation. It reflects the degree to which there is a concern that the cost/price proposal is too low and not consistent with the technical proposal, and that the offeror cannot provide quality services/personnel over the life of the contract at the price proposed. Unrealistically low pricing which leads to such a concern may result in a reduced technical

rating (such as determining that an otherwise acceptable "key personnel" section is "marginal" or "unacceptable").

b. The government will use the following adjectival definitions as guidelines in evaluating risk:

(1) High - Likely to cause significant serious disruption of schedule, increase in cost, or degradation of performance even with special contractor emphasis and close government monitoring.

(2) Moderate - Can potentially cause some disruption of schedule, increase in cost, or degradation of performance. However, special contractor emphasis and close government monitoring will probably be able to overcome the difficulties.

(3) Low - Has little potential to cause disruption of schedule, increase in cost, or degradation of performance. Normal contractor effort and normal government monitoring will probably be able to overcome difficulties.

END OF SECTION M